no law can be framed to limit a man in the purchase or disposal of property, but what must infringe those principles of liberty for which we are gloriously fighting." [6]

If an historian were to sum up what we have learned from the long history of wage and price controls in this country and in many others around the world, he would have to conclude that the only thing we learn from history is that we do not learn from history.

As America's first economist, Pelatiah Webster, observed when describing the effects of the unhappy experiment with economic controls during our War of Independence, "It seemed to be a kind of obstinate delirium, totally deaf to every argument drawn from justice and right, from its natural tendency and mischief, from common sense and even from common safety [7] . . . It is not more absurd to attempt to impel faith into the heart of an unbeliever by fire and fagot, or to whip love into your mistress with a cowskin, than to force value or credit into your money by penal laws." [8]

FOOTNOTES

[1] Bolles, Albert, *The Financial History of the United States*, New York, 1896, vol. 1, pp. 165–66.
[2] *Ibid*, p. 166.
[3] *Ibid.*, p. 173.
[4] Bourne, Henry, "Food Control and Price-Fixing in Revolutionary France," *The Journal of Political Economy*, March 1919, p. 208.
[5] Bolles, *op. cit.*, p. 159.
[6] *The Connecticut Courant*, May 12, 1777.
[7] Webster, Pelatiah, *Political Essays*, Philadelphia, 1791, p. 129.
[8] *Ibid.*, p. 132.

SENATE—*Monday, April 8, 1974*

The Senate met at 12 o'clock noon and was called to order by Hon. SAM NUNN, a Senator from the State of Georgia.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, our Father, may this Holy Week teach us anew the power of redemptive love and the way of the cross. May all who follow the Redeemer observe these days of sacred memory in the spirit of heart-searching and holiness, of humility and penitence, of love and adoration and gratitude. Give us grace to yield our lives to the way of self-giving and sacrifice. May we ever be true to ourselves and true to Thee even though it leads to a cross of rejection and pain. While we work may we worship and ever love Thee with our whole heart and mind and soul and strength.

Through Him who died for the sins of the world. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 8, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. SAM NUNN, a Senator from the State of Georgia, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. NUNN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Friday, April 5, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WAIVER OF THE CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rule VIII, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendars Nos. 742 and 743.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT OF CERTAIN LAWS AFFECTING THE COAST GUARD

The Senate proceeded to consider the bill (H.R. 9293) to amend certain laws affecting the Coast Guard, which had been reported from the Committee on Commerce with amendments on page 4, after line 12, strike out:

(10) Section 657 is amended—

(A) by deleting from the catchline the semicolon and the words following "children";

(B) by designating the existing section as subsection (b); and

(C) by inserting a new subsection (a) as follows:

"(a) Except as otherwise authorized by the Act of September 30, 1950 (20 U.S.C. 236–244), the Secretary may provide, out of funds appropriated to or for the use of the Coast Guard, for the primary and secondary schooling of dependents of Coast Guard personnel stationed outside the continental United States at costs for any given area not in excess of those of the Department of Defense for the same area, when it is determined by the Secretary that the schools, if any, available in the locality are unable to provide adequately for the education of those dependents.".

On page 5, at the beginning of line 5, strike out "(11)" and insert in lieu thereof "(10)".

On page 5, at the beginning of line 16, strike out "(12)" and insert in lieu thereof "(11)".

On page 5, beginning with line 18, strike out:

(B) by amending item (section) 657 to read: "657. Dependent school children.".

On page 5, at the beginning of line 19, strike out "(C)" and insert in lieu thereof "(B)".

On page 6, at the beginning of line 1, strike out "(13)" and insert in lieu thereof "(12)".

On page 6, at the beginning of line 4, strike out "(14)" and insert in lieu thereof "(13)".

On page 6, at the beginning of line 13, strike out "(15)" and insert in lieu thereof "(14)".

On page 6, at the beginning of line 19, strike out "(16)" and insert in lieu thereof "(15)".

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

THE 1980 WINTER OLYMPIC GAMES AT LAKE PLACID, N.Y.

The concurrent resolution (S. Con. Res. 72) extending an invitation to the International Olympic Committee to hold the 1980 Olympic games at Lake Placid, N.Y., in the United States, and pledging the cooperation of support of the Congress of the United States, was considered and agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

S. CON. RES. 72

Whereas the International Olympic Committee will meet in October 1974, at Vienna, Austria, to consider the selection of a site for the 1980 winter Olympic games, and

Whereas Lake Placid in the town of North Elba, County of Essex, and State of New York, has been designated by the United States Olympic Committee as the United States site for the 1980 winter Olympic games, and

Whereas the residents of Lake Placid and the town of North Elba in Essex County, New York, have long been recognized throughout the world for their expertise in organizing, sponsoring, and promoting, major national and international winter sports competitions in all of the events which are a part of the winter Olympic games, and

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Whereas it is the consensus of the Members of the Congress of the United States that the designation by the International Olympic Committee of Lake Placid in the town of North Elba, Essex County, New York, as the site of the 1980 winter Olympic games would be a great honor for all of the people in the United States: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the International Olympic Committee be advised that the Congress of the United States would welcome the holding of the 1980 winter Olympic games at Lake Placid in the town of North Elba, county of Essex, and State of New York, the site so designated by the United States Olympic Committee; and be it further.

Resolved, That the Congress of the United States expresses the sincere hope that the United States will be selected as the site for the 1980 winter Olympic games, and pledges its cooperation and support in their successful fulfillment in the highest sense of the Olympic tradition.

TRIBUTE TO SARAH McCLENDON

Mr. MANSFIELD. Mr. President, I ask unanimous consent that an article which was published in the New York Post on Saturday, April 6, 1974, entitled "Keeping After Those Presidents," written by Jerry Tallmer, be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

Mr. MANSFIELD. Mr. President, this article has to do with Sarah McClendon who, I think, has been a determined reporter, who has asked very tough questions, and who has not been given the recognition which I think is her due.

Therefore, I am delighted at this time to have this article printed in the RECORD. I am only sorry that I do not have the letter which Eileen Shanahan wrote to her newspaper, the New York Times, in defense of Mrs. McClendon.

The article follows:

EXHIBIT 1

KEEPING AFTER THOSE PRESIDENTS

(By Jerry Tallmer)

WASHINGTON.—President Eisenhower used to turn purple with rage at her questions, not least on the subject of his dedication to golf. President Kennedy, on the other hand, used to turn to ice. At one of his press conferences, rather than recognize her repeated demands for the floor, he pointed through her, beyond her, above her, right of her, left of her, to other correspondents.

President Nixon has had his problems, too, with leather-lunged Sarah McClendon of Texas. But many thought he gave as good as he got, and perhaps a little bit more, at a televised press conference six weeks ago. "You have the loudest voice," he said, recognizing Mrs. McClendon amid a clamor of cries of "Mr. President!"

"Good," said Mrs. McClendon forthrightly. "Thank you, sir." Seizing the reins, she cantered on. "I don't think you're fully informed about some of the things that are happening in the government in a domestic way. I'm sure it's not your fault, but maybe the people you appointed to office aren't giving you right information. For example, I just discovered that the Veteran's Administration has absolutely no means of telling precisely what is the national problem regarding the payments of checks to boys going to school under the GI Bill . . ."

The question, if that's what it was, fell in rather curiously with the more cosmic ones being asked that evening about impeachment and the energy crisis, but Nixon undertook to answer it anyway. He was going on about how "expeditiously" such payments were being attended to by Donald E. Johnson, Administrator of Veterans Affairs, when Sarah McClendon bellowed:

"He is the very man I'm talking about. He's not giving you the correct information . . . He has no real system for getting at the statistics on this problem."

"Well," said the President, "if he isn't listening to this program, I'll report to him just what you've said." And then, with a light smile: "He may have heard even though he wasn't listening to the program."

The incident provoked Eric Sevareid, a little later that night, to refer on CBS-TV to Mrs. McClendon as "this lady who has been known to give rudeness a bad name," and two days later The New York Times devoted an entire editorial to the "boorish behavior" of the lady. Elsewhere in the same paper, however, there appeared the news that on the afternoon following the press conference, Don Johnson of the VA had conceded "we simply don't have" the information Mrs. McClendon was calling for.

Then, last Sunday, in his radio address on veterans' affairs, the President went out of his way to say the following: "Some of you may recall that in a recent White House press conference, one of the most spirited reporters in Washington, Sarah McClendon of Texas, asked me why some veterans studying under the GI Bill were not receiving their government checks or were receiving them long after they were due. That was a good question . . . And due in large part to Mrs. McClendon and others who have brought problems to our attention, the Veterans Administration is now engaged in a major effort to improve their operations."

Sarah McClendon entered those words in her file labeled "Mission Accomplished." And next to them she tucked the clipping of a letter to the editor of The New York Times. It said Mrs. McClendon deserved "appreciation, not condemnation, for the questions she has asked Presidents over the years," and concluded: "Mrs. McClendon is reviled, I fear, largly because so many people find tough-mindedness in a woman an unattractive trait. A man who had asked the same questions as Mrs. McClendon would not be criticized by the Times." The writer: Eileen Shanahan, Washington correspondent of the Times.

"Brave of her," said Sara McClendon in the middle of a harrowing day in Washington—the day after the announcement of Nixon's tax delinquency. "I went to 3:30 this morning," she said, meaning worked till then, and had just now come away from a turbulent midday White House briefing—"They're all rlled up"—followed by broadcasts to two of her outlets. Over the years she has represented a varying string of newspapers and radio and TV stations, mostly in Teaxs and New England, which once inspired Eisenhower to ask her before all her colleagues: "Do you get fired every week and join another paper the next week?"

Mrs. McClendon threw back her coat to reveal several ropes of pearls and beads and stuff, as well as her eyeglasses dangling from a chain upon the front of her green dress. She is a short, ample woman with blue eyes and vaguely reddish hair; in the early years she was invariably described as "petite."

She ticked off her 10 present outlets, leading with three Texas papers: the El Paso Times, the Sherman Democrat, the Temple Telegram, "I've had those three clients since 1946. That's pretty good, isn't it? I always say I don't have enough. I need more. I'm very small potatoes. A lot of people wouldn't take these little piddling jobs, but I put them all together and made a living of it for myself and my daughter. And it kept me independent."

Incidentally, she's no longer affiliated with the Manchester (N. H.) Union-Leader, the arch-conservative William Loeb paper that printed the phony Muskie "Canuck" letter. "Loeb never did tell me how to write, and never asked me to do any of his dirty work, but I'm glad I don't work for him now."

Sarah McClendon is out of Tyler, an East Texas town between Dallas and Shreveport.

"I'm the youngest of nine, and there are eight of us living and I'm 63, be 64 in July, and that's pretty good. All cussed, rugged people who all help each other."

Sidney Smith McClendon, her father, of "good, solid, honest, staunch Scotch stock," was a piano merchant and owner of a stationery store, Annie Rebecca Bonner McClendon, her mother, a Southerner with English blood, took Sarah at the age of 6 to suffragette speeches and rallies.

"Wonderful people. My father would walk home a couple of miles with toys on Christmas eve, to keep the kids from knowing. He pushed me, gave me drive, telling me it was contacts that count, that I should go on, should get out and meet people.

"When he was 11 he marched in a parade with signs saying: 'Democrats, Ain't You Happy?'—because Reconstruction had just been voted out. My family nearly starved to death during Reconstruction. My people were born right after the Civil War. I've known several slaves who were owned by my family. And," said Mrs. McClendon reflectively, "I'm very conscience-stricken that we owned them."

The wolf was never far from the door during her own girlhood. "It's very hard being poor. Not that I'm not still. But people then, in that part of Texas, were *very* poor. There was no oil money, and there was this craving for industry and for agricultural revolution. Then, when I was 'grown-up' and a reporter, there came an oil boom, with all its greed and cruelty and arrogance. It's fascinating to cover an oil boom. It helped me with this recent energy crisis."

It was with the assistance of her brothers and sisters that Sarah "managed to get through two years of Tyler Junior College." Then she went to work in a bank "and borrowed the money to go to the University of Missouri School of Journalism," from which she was graduated in 1931.

"I started to go to Chicago, but I was too timid and too frightened to do that. So I called Carl Estes, publisher of the Tyler Courier-Times, and he said: 'Come on down tomorrow.' I went to work for him at $10 a week—crusading to get a new hospital. I think you should crusade, don't you? And Estes, who's dead now, was a crusading editor." But when, in 1939, she "made a speech about fascist chambers of commerce," the paper was forced to fire her.

For the next several years she developed a stringer service for other Texas newspapers. When World War II arrived she promptly joined the Women's Army Corps as a buck private, feeling she owned it to the two brothers she'd seen go off to World War I. "I must have been 7 or 8 then, and I saw how it broke the family. A small child in a big family—I guess I observed more than they realized. You can't imagine what 'going overseas' meant to an inland family. Just terrifying."

The WAC put her in public relations—she'd wanted intelligence—and sent her to Washington in 1943. That year she married salesman John Thomas O'Brien, who is now also among the dead.

"He left me before my child was born. I got out of the Army in 1944, and nine days after she was born I got a job in the National Press Building, working for Bascom M. Timmons who has a number of papers.

Such a kind man—he would have died if he'd known I had a nine-day baby back home. I remember having to have someone open those heavy doors. His assistant, his underling, said to me: 'You won't be here long.'" Sarah McClendon let it lie there, and then said: "I was just blessed. Wasn't I blessed?"

Though nominally Mrs. O'Brien, Sarah McClendon prefers to be called Mrs. McClendon. "Emily Post would say you have to say 'Miss,' but who the hell cares about Emily Post?" Her daughter Sally is today Mrs. David McDonald, wife of a Canadian correspondent based in London and mother of Allison McClendon Jones, product of an earlier marriage.

"Sally was my copy girl and cub reporter at Capitol Hill, a brilliant girl. She had so much of it, she said: 'Mother, I'm retiring from politics at 22.' And my granddaughter, she'll be 5 next week and she's a chip off the old block. She'll be better, stronger. My daughter's much better, stronger than me, and Allison will be better than that. They do get better, you know."

It was time to talk about some Presidents.

"I started with Roosevelt, of course. I could see he was a very sick man, his fingers fumbing behind his desk.

"Then Truman. I don't recall too much of his press conferences.

"Eisenhower. You had to educate Eisenhower when you were asking your question. Well, you have to with all Presidents, this country's so big and there's so much to know, but you *had* to do this with Ike."

Kennedy. "I had a feeling that he was starting a lot of things and not finishing others, and this worried me. But you couldn't help but like him."

Lyndon Johnson. "Oh gosh." Mrs. McClendon's hand flew to her throat. "We had a very long relationship, and for a while were like brother and sister. But the first time I met him—he was a Congressman—he shook his finger in my face and started screaming to me about a story I'd done on oil. He wanted me to take it back—and I wouldn't.

"The thing about Lyndon Johnson is that if you displeased him, there could be repercussions. I've seen it on me and on others." Such as? "Well, he could make you lose papers, for one thing."

It was not Mrs. McClendon's shining hour when, back in the Kennedy era, she hurled accusations of "security risks" at a couple of State Dept. officials against whom there was no such case. However, she has pretty much stopped doing things like that.

What never stops is the pounding of her questions. (She seized or was granted the floor 49 times during the 55 press conferences of Eisenhower's first two years.) Nor does she think her questions are trivial.

"When I asked Eisenhower if he'd gotten permission from Congress before sending the Marines to Lebanon, TRB wrote in The New Republic: 'Sarah McClendon may have changed history with her question'—one which Eileen Shanahan in her letter to the Times said 'does not look silly or frivolous now.'"

It was 11 years ago that Mrs. McClendon organized a Press Briefing Group with the object of getting more women to ask questions. "We have men in it now, too. For the longest time there were only about three to five women who asked questions. There are more now who at least *try* to get their questions in."

And it was 30 years ago she first sought entry into the National Press Club. For 27 years that privilege was denied her. When they finally took her in, gave her a badge, a meal, Sarah McClendon . . . wept.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

Mr. TALMADGE. Mr. President, will the distinguished majority leader allow me to proceed for a few minutes at this time?

Mr. MANSFIELD. I yield to the Senator from Georgia (Mr. TALMADGE) and will hold my 5 minutes until later.

The ACTING PRESIDENT pro tempore. The Senator from Georgia is recognized.

AMENDMENT NO. 1154 AS MODIFIED

Mr. TALMADGE. Mr. President, in response to questions regarding the scope of my amendment No. 1154, I send a modification of that amendment to the desk and ask that the amendment, as modified, be printed.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The amendment will be received and printed and will lie on the table.

Mr. TALMADGE. Mr. President, my modification simply inserts after the words "no person" in the original amendment the words "affiliated with a political election campaign." The purpose of this modification is to clarify a vital point raised in last week's flood discussion of my amendment and brought to my attention this weekend by members of the Georgia press. My amendment is not intended to inhibit or, for that matter, even cover good-faith reporting of campaign news by employees of newspapers, periodicals, and other news publications. The amendment, as modified, makes this clear and, in fact, goes even further and applies only to persons affiliated with political election campaigns.

Nevertheless, the amendment may still be open to other interpretations and, since this would be a criminal statute, no questions about its scope can be left unanswered.

For this reason, I feel we must explore the need for further perfection of the language of my amendment. Unfortunately, the time strictures involved in consideration of the campaign reform bill do not allow adequate time for this. I remain undeterred in my desire to stop once and for all the types of "dirty tricks" practiced during the 1972 Presidential election campaign in which candidates were willfully and falsely accused of deviancy, insanity, bigotry, and other reprehensible acts and traits. However, because of the considerations I have mentioned, I feel that the Senate should defer action in this area at this time. Accordingly, I ask unanimous consent that I be permitted to withdraw my amendment.

THE ACTING PRESIDENT pro tempore. Without objection, the amendment as modified is withdrawn.

Mr. CRANSTON. Mr. President, will the Senator from Georgia yield?

The ACTING PRESIDENT pro tempore. Time is under the control of the distinguished majority leader.

Mr. MANSFIELD. I reserve the right to my 5 minutes and yield to the Senator from California.

Mr. CRANSTON. I thank the distinguished majority leader.

I should like to state that I fully concur with the objectives of the Senator from Georgia. I am delighted that he has agreed not to press his amendment at this point until very careful consideration can be given to it, because there were reasons to be concerned, that it might be used to harass candidates, to harass the press, or to harass people who wrote letters to the press, and so forth. It probably would be very difficult to achieve prosecution successfully under the Senator's amendment but it would not be difficult for people successfully to harass candidates, including Members of Congress. The objectives of the amendment are valid and I am delighted that we will have ample time under the procedure the Senator has outlined, to consider all the ins and outs later on.

Mr. TALMADGE. I thank the distinguished Senator from California and concur fully with what he has just stated.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

REPORT ON AERONAUTICS AND SPACE ACTIVITIES—MESSAGE FROM THE PRESIDENT

THE ACTING PRESIDENT pro tempore (Mr. NUNN) laid before the Senate a message from the President of the United States, which, with the accompanying report, was referred to the Committee on Aeronautical and Space Sciences. The message is as follows:

To the Congress of the United States:

I am pleased to transmit this report on our Nation's progress in aeronautics and space activities during 1973.

This year has been particularly significant in that many past efforts to apply the benefits of space technology and information to the solution of problems on Earth are now coming to fruition. Experimental data from the manned Skylab station and the unmanned Earth Resources Technology Satellite are already being used operationally for resource discovery and management, environmental information, land use planning and other applications.

Communications satellites have become one of the principal methods of international communication and are an important factor in meeting national defense needs. They will also add another dimension to our domestic telecommunications systems when the first of four authorized domestic satellite systems is launched in 1974. Similarly, weather satellites are now our chief source of synoptic global and local weather data. Efforts are continuing to develop capabilities for worldwide two-week weather forecasts by the beginning of the next decade. The use of satellites for efficient and safe routing of civilian and military ships and airplanes is being studied. Demonstration programs are now underway aimed at improving our health and age techniques.

Skylab has given us new information on the energy characteristics of our sun. This knowledge should help our understanding of thermo-nuclear processes and contribute to the future development of new energy sources. Knowledge of these processes may also help us understand the sun's effect on our planet.

Skylab has proven that man can effectively work and live in space for extended periods of time. Experiments in space manufacturing may also lead to new and improved materials for use on Earth.

Development of the reusable Space Shuttle progressed during 1973. The Shuttle will reduce the costs of space activity by providing an efficient, economical means of launching, servicing, and retrieving space payloads. Recognizing the Shuttle's importance, the European Space Conference has agreed to construct a space laboratory—Spacelab—for use with the Shuttle.

Notable progress has also been made with the Soviet Union in preparing the Apollo-Soyuz Test Project scheduled for 1975. We are continuing to cooperate with other nations in space activities and sharing of scientific information. These efforts contribute to global peace and prosperity.

While we stress the use of current technology to solve current problems, we are employing unmanned spacecraft to stimulate further advances in technology and to obtain knowledge that can aid us in solving furture problems. Pioneer 10 gave us our first closeup glimpse of Jupiter and transmitted data which will enhance our knowledge of Jupiter, the solar system, and ultimately our own planet. The spacecraft took almost two years to make the trip. It has traveled over 94,000 miles per hour—faster than any other man-made object—and will become the first man-made object to leave our solar system and enter the distant reaches of space.

Advances in military aircraft technology contribute to our ability to defend our Nation. In civil aeronautics, the principal research efforts have been aimed at reducing congestion and producing quieter, safer, more economical and efficient aircraft which will conserve energy and have a minimum impact on our environment.

It is with considerable satisfaction that I submit this report of our ongoing efforts in space and aeronautics, efforts which help not only our own country but other nations and peoples as well. We are now beginning to harvest the benefits of our past hard work and investments, and we can anticipate new operational services based on aerospace technology to be made available for the public good in the years ahead on a routine basis.

RICHARD NIXON.

THE WHITE HOUSE, *April 8, 1974.*

EXECUTIVE MESSAGES REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore (Mr. NUNN) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination on the Executive Calendar under the Department of Agriculture.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nomination on the Executive Calendar, under the Department of Agriculture, will be stated.

DEPARTMENT OF AGRICULTURE

The second assistant legislative clerk read the nomination of Richard L. Feltner, of Illinois, to be an Assistant Secretary of Agriculture.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of this nomination.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

WATERGATE

Mr. MANSFIELD. Mr. President, 1 year of Watergate is too much; 1 day of Watergate is too much, but the issue will have to run its course. It would be my hope that the Senate Select Committee on the Watergate and related matters would be able to complete its business by May 28 and, at that time, it would turn over the evidence accumulated and its recommendations to Special Prosecutor Leon Jarworski on the one hand, and the House Judiciary Committee on the other.

At the same time, I would hope it would make whatever legislative recommendations it feels necessary to the Senate for consideration. In my opinion, the Special Prosecutor and the courts are doing the job and doing it well. I note that Mr. Jaworski stated that it would take several years to clear the Watergate and related matters through the courts. The House Judiciary Committee is doing its job extremely well and the lack of leaks out of that committee is a most encouraging sign. I would hope that the White House and the committee would get together on the differences which are keeping them apart and arrive at a satisfactory accommodation so that the Judiciary Committee could get on with its hearings and make its judgment known to the House at the earliest possible date.

I have noticed with some concern that polls of various kinds have been taken as to how the Judiciary Committee stands and even how individual Senators stand on this matter, before all the evidence is presented, either to the committee or to the Senate. There have also been editorials and commentaries on the issue of impeachment by the House and a trial by the Senate which, I think, anticipates the question. Some Members of Congress have advocated resignation by the President. None in the Senate that I know of have suggested impeachment. My position on the question of resignation is well known; it is a question which will be decided by the President and the President alone. All this is being bruited about before the issue is directly presented, either to the House or the Senate, in any constitutional form.

The questions we should ask ourselves are as follows:

Are we being impartial in fact and appearance?

Are we aware of our responsibilities, potential, and possibly real?

Are we shunting aside the basic principles of law which presumes the innocence of the accused until found guilty?

Is the media living up to its responsibilities in "telling it as it is," on the basis of corroboration, research and source material, or is it interpreting the news to support a point of view? Basically, I think the press, overall, is doing an excellent job.

Are we exercising restraint and patience? In my view, I think the Senate, by and large, is.

Are we—all of us—too emotionally involved? In my judgment, I think we are involved, because one cannot follow the media, the court proceedings, and the Watergate hearings without being concerned.

Are too many of us saying, "The votes are there in the House of Representatives"? In my opinion, no one really knows; certainly, I do not, and no one will know until and unless a vote is taken in the House on the issue involved.

If and when the issue reaches the Senate, and no one can answer the question at this time, what should the procedures in the Senate be? Should the hearings be televised? Should new rules to fit the issue be adopted? In my opinion, I think serious consideration should be given to the televising of any proceedings which might occur in the Senate. Extraordinary historical significance does not alone justify television. More important, the American people should see the totality of evidence when and if it is presented to the Senate so that when each Senator makes his final judgment of guilty or not guilty, the American people will be fully apprised of the basis of that judgment. I think this will be very important to assure the acceptance of the judgment by the Senate, if it should come to us, whatever it may be. However, this is a matter which will have to be decided, if and when the issue comes to the Senate, and the decision will be made by the Senate as a whole, after giving full consideration to the views of all persons involved.

As far as procedures are concerned, it would be my intention to discuss this matter, if and when it comes before the Senate, with the Republican leader, the Senator from Pennsylvania (Mr. HUGH SCOTT), and to lay before him the proposition that there be a meeting of the full Senate in executive session to seek to make the proceedings as impartial and nonpartisan as possible.

As far as the Democratic leadership is concerned, it has at all times tried to work in accord with the President to the end that the responsibilities of the executive and legislative branches under the Constitution would be carried out. It is well to keep in mind that while we are all transients insofar as the Presidency, on the one hand, and the institution of the Senate and the Congress on the other, are concerned, it is the office of the Presidency and the Congress which are permanent, continuing, and enduring. As long as a Senator holds his office, he has all the responsibilities that go with that office, and the same applies to a President.

I ask unanimous consent that an editorial in the Wall Street Journal by someone who "paid a visit to Washington, D.C., in the last few days and came away wondering if the President of the United States could get a fair trial in our Nation's Capital," be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

Mr. MANSFIELD. While this editorial accurately expresses a headline in the local press of a few days ago, and inaccurately what was reported in the body of the same story as it applies to me, I think there is considerable food for thought in the writer's comment. I would also point out, however, that there are dangers in equating a court trial with an impeachment proceeding. If the Founding Fathers thought that they were the same thing, they would have made the place of venue the Supreme Court, not the Senate.

EXHIBIT 1

A CHANGE OF VENUE

We paid a visit to Washington, D.C., in the last few days and came away wondering if the President of the United States could get a fair trial in our nation's capital. The city seems so totally in the grip of Watergate fever that those elected representatives who will soon be sitting in solemn judgment of the President appear to have lost control of events, and are in danger of being swept along by an impeachment machine that could turn the proceedings into a lurid Roman circus.

What seems to be happening is that Congress is demonstrating how difficult it is to suspend judgment, to presume the innocence of the accused before the taking of evidence, testimony and cross-examination. By its example it reveals why the law courts of the Western democracies for centuries have deemed the formalities and rituals of a criminal proceeding to be of such paramount importance. There is now no one in Congress, Democrat or Republican, urging even minimal rules of conduct for the juries and the judge, and the system of justice that the people provide the lowest and the highest is being suspended because Richard M. Nixon is in the dock.

We see members of Congress routinely predicting the President will quit sooner than face the music. We see them openly announcing their intention to impeach, even before they know what the charges will be, if indeed there are charges. Senate Majority Leader Mansfield and Wilbur Mills of the House blithely predict there are enough votes in the House to impeach, which can only be described as bandwagon politics. Jimmy the Greek, the Las Vegas oddsmaker, conducts a private poll to detect which way members are leaning and, incredibly, gets responses. The franking privilege is being used to promote grass-roots impeachment petitions. And all over Capitol Hill there are lists being drawn up of Senators "likely" to convict and "likely" to acquit.

It's as if, during the trial of the "Chicago Seven," the jurors were permitted to pop up periodically to excoriate the defendants, Jimmy the Greek allowed in the jury box to conduct a running poll of sentiment that he could flash back to Vegas, and Judge Julius Hoffman allowed to collect petitions for conviction that he could lay before the court.

In a criminal proceeding, there is good reason why the defense is allowed to participate in jury selection, challenging prospective jurors it believes would be prejudiced. There's good reason, in a sensational case involving a heinous crime, for the judge to order a change of venue when his court is overwhelmed by passion. And there's good reason, when an untarnished jury can be found in such a case, to sequester it from outside influence during the trial.

Of course, all these precautions are impossible in an impeachment proceeding. The President can't help pick his jury. Congress can't be sequestered from the influences of the press. And Capitol Hill can't be moved to Cedar Rapids or Salt Lake City. Nor should any of these things be done even if it were possible.

But this makes it all the more important that Congress get a grip on itself and agree on formalities and rituals appropriate to a Grand Inquest, to require rules of conduct that will have the effect of changing venue from a court ruled by passion to one composed.

The Mansfields, Scotts and Alberts cannot simply wash their hands of responsibility, arguing they have no authority to impede the free speech or activities of freely elected Congressmen. If Congress would agree to rules of conduct, its leaders would per force have the power to at least verbally censure transgressors. The mere existence of a code, where there is none now, would provide a sobering frame of reference for the great majority in Congress who would otherwise say or do anything because of the provocative climate that prevails.

And if the leaders of Congress can't bring themselves to regain a semblance of control over these events, at least individual members of the House and Senate can make personal commitments to contribute nothing to the carnival that encroaches. Those who have already allowed themselves to slide can begin straining mightily to suspend judgment, elbowing aside the oddsmakers and pollsters and asking their staffs to do the same. They can begin too by resisting the outrage or resentment they might feel over the way the accused insists on his rights and loudly proclaims his innocence.

If this be done, it will be possible for the President of the United States to get a fair trial in Washington, D.C., and however he is ultimately judged the American people will be able to say that justice was done.

Mr. HUGH SCOTT. Mr. President, I will have more to say at a later time, because this suggestion has just been advanced by the distinguished majority leader. I will be glad, of course, to confer with him at any time on any matter that pertains to the Senate business, if, as, and when there appears to be reason to believe that it will become Senate business.

I very much fear that the statement of the distinguished majority leader may not be brought to the attention of the American people with the full force of what he has said, because perhaps the news value, at first blush, is that he has suggested that the proceedings be televised. At this point, I am not prepared to make any statement on that. But he has said a great many more important things than that, if we can get them noted—brought to public notice.

For example, he has said that editorials and commentaries on the issue of impeachment by the House and also by the Senate anticipate the question. He has said something that both he and I have continually said, and I get the impression that we are simply talking into a high wind each time we say it. But he has said it again, and I repeat it:

Are we shunting aside the basic principle of law which presumes the innocence of the accused until found guilty?

He has also cautioned against Members of this body saying that the votes are there in the House of Representatives, and he has pointed out that he does not know—and he questions whether others know, unless and until a vote is taken in the House. I agree with that. Any estimate that I have heard from over there is subjectively expressed by the person who tells me. Some people say the votes are not there; some people say they are.

I think that when the Senate intervenes in the affairs of the House by prognostication and projection of something it really does not know anything about, because it must get into the minds of 435 people and come out at the other end with an answer, this is a disservice to the process.

The distinguished majority leader also says that the American people should see the totality of the evidence, when and if it is presented to the Senate.

I stress again, "when and if" so that this statement of the majority leader will not be treated as an assumption that the proceedings will occur before the Senate, but he has been most careful in his fairness, as he is always so fair, to stress the "when and if."

He said so far as the proceedings are concerned, if and when, he will discuss these matters with me and, of course, an executive session would seem to be in order for that purpose. I would be inclined to agree personally. I think it is a matter for my party and the majority leader's party to determine whether or not an executive session is desired. I would say in this first instance it would seem to me that would be the best way to consider a situation rather than to try it in the newspapers or make statements on the floor which do not represent considered judgments.

Now, we can head in one of two directions, or pursue, as the Senate has tried to do generally, a middle course. The

middle course, it seems to me, ought to steer us very much closer to one of the polarities than the other, and the one polarity would be a total and complete impartiality, an absence of any partisan fervor, and a full and dispassionate, as well as compassionate approach to any problem that comes to us, if and when it does.

The other polarity would be an excess of party fervor, as in the Johnson matter, leading to the allegation that the election of 1972 was stolen in 1974. That was we must avoid at all cost. We must avoid the partisanship which might arise if the parties divide in the consideration of this matter in such fashion as to lend credence to a public assumption of that awful and intolerable conclusion.

On the other hand, it is impossible for humanity and human nature to be totally and completely dispassionate and impartial. I suggest that this is the time for us to consider that that is where our duty lies.

I will have more to say later.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUGH SCOTT. I am glad to yield to the distinguished majority leader.

Mr. MANSFIELD. Speaking as the majority leader, I want to assure you that if and when the issue comes to the Senate there will be as little partisanship as possible, and as far as I am concerned, I would hope there would be none.

Furthermore, if and when the issue comes to the Senate, and we will never know until the House decides one way or the other—negatively it will not; affirmatively it will—then, I would point out, the Senate itself will also be on trial. I would point out further that while this Senate, if and when the issue comes to this body, renders a verdict, the final jury and the final judge will be out there among the people who elect us, because, after all, when we speak of the Government of the United States, we speak of the people of this Republic, and they are the final arbiters. They will watch us carefully as they should.

May I say in passing that when an issue of this nature comes to the Senate and is to be televised, that would be subject to the approval of the Senate as a whole. I am expressing a personal opinion that there will be no circus, that there will be nothing in the way of hanky-panky, because I would expect and anticipate without question that every Senator would act with the greatest dignity and circumspection, and that there would be no hamming on the part of any Member of this body, if it happens to turn out that way, that the proceedings, if and when the question comes to this body, are televised.

Mr. HUGH SCOTT. Therefore, justice must not only be done; justice must seem to have been done. Fiat Justitia must be the guideline if and when this happens, and finally woe unto those who seek to act on other than the facts and evidence.

MESSAGE FROM THE HOUSE— ENROLLED BILLS SIGNED

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills:

H.R. 12253. An act to make certain appropriations available for obligation and expenditure until June 30, 1975, and for other purposes; and

H.R. 12627. An act to authorize and direct the Secretary of the Department under which the U.S. Coast Guard is operating to cause the vessel *Miss Keku*, owned by Clarence Jackson of Juneau, Alaska, to be documented as a vessel of the United States so as to be entitled to engage in the American fisheries.

The enrolled bills were subsequently signed by the Acting President pro tempore (Mr. NUNN).

TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order there will now be a period for the transaction of routine morning business not to exceed 30 minutes, with statements limited therein to 5 minutes.

MILITARY AID TO SOUTH VIETNAM

Mr. SYMINGTON. Mr. President, an article in the press last Friday reporting on the House action that denied increase in the $1.126 billion ceiling on military aid to South Vietnam stated:

On the other side of Capitol Hill the Senate Armed Services Committee had voted Wednesday to allow the administration $266 million more.

That statement, without any further explanation, is misleading; and I would take this opportunity to set the record straight.

The Senate Armed Services Committee voted unanimously to hold the military assistance service funded—MASF—program to the same $1.126 billion ceiling as previously enacted by Congress for fiscal year 1974; and now reinforced by the vote last week in the House.

In addition, the Senate Armed Services Committee voted to include language in their report on this bill which would direct the Department of Defense to straighten out the reporting of obligations for fiscal year 1974; and also to hold to the current ceiling of $1.126 billion.

Research on the part of the committee staff had revealed that the Defense Department was reporting obligations for ammunition on a statistical basis, rather than on the basis of actual orders or deliveries; and as a result, a $266 million obligation was reported during fiscal year 1974 for ammunition actually delivered to South Vietnam in either fiscal year 1972 or fiscal year 1973.

This totally artificial accounting system reduced the real amount of support available in fiscal year 1974; therefore, the Defense Department can actually obligate only $860 million under this current ceiling of $1.126 billion.

Allowing Defense to delete the $266 million from the obligations reported in fiscal year 1974 for statistical purposes only will permit them to obligate close to the level obligated for in the first three quarters of fiscal year 1974; also to carry out the original intent of the Congress when it authorized obligations up to $1.126 million.

I would stress that this proposal does not authorize any new funds for fiscal year 1974. It only allows the Defense Department to utilize already authorized and appropriated, but unobligated, funds up to the established ceiling in question.

JUSTICE WHITEWASHES FITZGERALD AFFAIR

Mr. PROXMIRE. Mr. President, more than 5 years ago A. Ernest Fitzgerald testified before the Joint Economic Committee regarding huge cost overruns, in the acquisition by the Air Force of a giant cargo plane—the C–5A. A major effort was made by the Air Force to prevent Fitzgerald from testifying. First he was warned not to appear, then he was not to prepare written testimony.

Following his testimony revealing for the first time that the plane was to cost $2 billion more than official estimates, he was subjected to a campaign of abuse and harrassment that boggles the mind. Within 12 days of his testimony his career tenure had been revoked after a so-called computer error was discovered. A submission he made to the Joint Economic Committee was doctored without his knowledge. He was given the most menial tasks to perform. He was falsely accused of leaking confidential documents to the Congress. He was the subject of a rigged security investigation. And finally the ultimate sanction was applied. He was fired.

Recognizing that these retaliatory acts resulted from Fitzgerald's sin of committing the truth before a committee of the Congress I urged the Justice Department to proceed to prosecute the guilty under the criminal code. Specifically I referred to title 18, United States Code, section 1505, which makes a crime punishable by a fine of up to $5,000 and/or imprisonment for not more than 5 years to threaten or injure a congressional witness.

The response on the part of the Justice Department was an act of foot dragging that makes the unfolding of the Watergate story seem a model of speed. From November 22, 1969, to December 12, 1973, the Department delayed, postponed, and put off any action in the case. First they argued that they would await the results of a Civil Service Commission proceeding that Fitzgerald was bringing to regain his job. This decision was made after a study that consisted of looking at testimony presented before the Joint Economic Committee and considering evidence presented voluntarily by the Air Force Department. No effort was made to conduct an independent investigation.

The Department then participated in a maneuver that delayed the final resolution of the civil service case for at least 2 years by appealing a lower court decision that the Civil Service Commission hearing should be an open one.

Finally the Department wrote to me on December 12, 1973, saying, in effect, that the testimony presented at the Civil Service Commission proceeding did not

justify any further action to enforce the criminal sanctions against interfering with a congressional witness. This letter followed on the heels of the Commission's decision to restore Fitzgerald to his job.

The Commission's final decision in the Fitzgerald case clearly showed that then Air Force Secretary Seamans has falsely accused Fitzgerald before a congressional committee of leaking classified information. It also demonstrated that Gen. Joseph Cappucci, former Director of the Air Force of Special Investigations, had initiated a security investigation of Fitzgerald on the basis of unfounded charges and had then proceeded to destroy information arising from the investigation that was favorable to Fitzgerald. The derogatory charges were kept in the file while proof that these charges were false was destroyed.

The civil service proceedings also indicated that the Fitzgerald affair penetrated into the White House. Secretary Seamans refused to furnish testimony on conversations he had with, or advice he received from, White House staff.

The President himself took the blame for the Fitzgerald firing at a January 31, 1973, press conference, although Presidential Press Secretary Ziegler later told the press the President had "misspoke himself."

Mr. President, the Justice Department has not only determined not to look beyond the facade of the Civil Service Commission proceedings that restored Fitzgerald to an Air Force job. It has also decided to defend the very men involved in the retaliatory acts that were inflicted on Fitzgerald in a lawsuit brought by Fitzgerald. The defendants in this suit include Dr. Seamans and General Cappucci. Included also is former Assistant Secretary of the Air Force Spencer J. Schedler who was under investigation by the Justice Department as late as December 12 for a possible violation of the Federal Corrupt Practices Act. This creates a blatant conflict-of-interest situation.

I can only conclude on the basis of the record in the Fitzgerald case that the Justice Department has, wittingly or unwittingly, become a party to a coverup of criminal behavior on a rather massive scale.

In view of the conflict of interest problem now confronting the Department as well as its apparent inability to conduct its own investigation, I have written to Attorney General Saxbe urging him to submit the case of A. Ernest Fitzgerald with all relevant material in the Department's possession, to a Federal grand jury for its consideration of possible violations of the Federal criminal code.

Unless a grand jury moves quickly to expose the sordid facts behind the attempts to destroy Fitzgerald we can forget about a civil service dedicated to truly serving the taxpayer. The moral behind the Fitzgerald story thus far is "to get along you go along."

Mr. President, the whole sorry mess demonstrates with great force the need for a truly independent Justice Department, free of the shackles of partisanship. Obviously such an independent objective agency would have long since blown the whistle on the culprits in the Fitzgerald affair. But the present Justice Department, whose interests are directly tied to the administration, has shown itself to be incapable of moving quickly and effectively to wash out this stain on the body politic. This is a textbook example of why legislative efforts to set up an independent Justice Department must succeed if we are to restore the people's faith in their Government.

One of the most persistent critics and seekers-after-truth in the Fitzgerald affair has been Clark Mollenhoff. In a March 24 column he made a compelling case that the Department of Justice is, by its behavior in the Fitzgerald affair, participating in an obstruction of justice.

I ask unanimous consent that this impressive analysis, as well as my letter to Attorney General Saxbe, be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

APRIL 3, 1974.

HON. WILLIAM B. SAXBE,
Attorney General of the United States,
Department of Justice,
Washington, D.C.

DEAR MR. ATTORNEY GENERAL: On November 22, 1969, more than four years ago, I wrote then Attorney General Mitchell regarding the case of A. Ernest Fitzgerald, who had been dismissed from the Department of the Air Force following his testimony before the Joint Economic Committee on defense procurement policies. The Civil Service Commission has since held that Mr. Fitzgerald was "improperly separated" from the Department.

In that letter I pointed out that it was a criminal offense to threaten, influence, intimidate or impede any witness in connection with a Congressional investigation and that it was also a criminal offense to injure any witness in his person or property because of such testimony (18 U.S.C. § 1505). I urged the Department to enforce this law against those who attempted to place restrictions on Mr. Fitzgerald prior to his testimony and who took reprisals against him following that testimony.

In the words of my earlier letter "as far as this law is concerned we have a violation and a victim."

This initial correspondence was followed by what I can only term 'evasions' on the part of the Department.

On February 18, 1970, Assistant Attorney General Will Wilson wrote that the Justice Department would await the results of a Civil Service Commission proceeding. This decision was not based on any independent investigation by the Department but simply on a review of testimony presented before the Joint Economic Committee and material voluntarily submitted by the Air Force.

The Justice Department not only maintained this position for the next two and one-half years but participated in attempts to block an open Civil Service Commission hearing on the Fitzgerald case. This prolonged the final resolution of the Civil Service appeals process.

Finally Assistant Attorney General Petersen wrote to me on December 12, 1973, saying, in effect, that the testimony presented at the Civil Service Commission proceeding did not justify any further action to enforce the above-mentioned law regarding interference with witnesses before a Congressional Committee.

Apparently the Justice Department has determined not to look beyond the facade of the Civil Service Commission decision. I can only regard this as a complete whitewash.

The decision itself details a number of instances of outrageous conduct clearly intended to destroy Mr. Fitzgerald's reputation following his testimony before the Joint Economic Committee. Here are two examples taken word by word from the Commission's decision:

On May 7, 1969 Secretary [of the Air Force] Seamans testified before the House Armed Services Committee in Executive session and made several accusations against Mr. Fitzgerald.

* * * * *

Secretary Seamans testified that on the day after his May 7, 1969 testimony he learned that no security violation [by Mr. Fitzgerald] was involved; that the word "confidential" did leave an ambiguity; that some damage was done; and that it wasn't until six months later that he apologized to the Committee for his remarks being taken as a security violation.

Brigadier General Joseph J. Cappucci, former Director of the Air Force Office of Special Investigations, (OSI) testified that on May 17, 1969, OSI opened a file . . . and started a special inquiry based on conflict of interest charges made against Mr. Fitzgerald by a confidential informant . . . General Cappucci testified that when these checks came back favorable, instead of placing the favorable information in the file he closed it . . . All the favorable reports were destroyed. We find no credible explanation for OSI retaining the derogatory allegations about Mr. Fitzgerald while destroying all the results of the investigation which proved these allegations were without substance.

Clearly Civil Service Commission proceedings are no substitute for a thorough criminal investigation. For example, the Commission was sharply limited by the fact that Dr. Seamans, Mr. Schedler and Col. Pewitt repeatedly invoked executive privilege in refusing to tell all that they knew about the Fitzgerald affair.

Now the Justice Department has placed itself in a completely untenable conflict of interest situation by representing the very men whose conduct appears to have violated the criminal code in a civil suit against these individuals, including Dr. Seamans and General Cappucci, brought by Mr. Fitzgerald.

The Department is also representing Assistant Secretary of the Air Force Spencer J. Schedler while at the same time, according to Assistant Attorney General Petersen's letter to me of December 12, 1973, considering the possibility that he may have violated the Federal Corrupt Practices Act in a collateral matter.

Mr. Attorney General, I can only conclude on the basis of the record in this case that the Department has, wittingly or unwittingly, become a party to a cover-up of criminal behavior on a rather massive scale.

The effort to punish a distinguished civil servant for his testimony before a Congressional Committee may well reach into the White House. Secretary Seamans refused to furnish testimony in the Civil Service Commission proceeding on conversations he had with, or advice he received from, the White House staff. The President himself took the blame for Mr. Fitzgerald's firing in a January 31, 1973, press conference—a statement that Presidential Press Secretary Ziegler later said was in error.

In view of the conflict on interest problem now confronting the Justice Department as well as the Department's apparent inability to conduct its own investigation of the Fitzgerald affair I urge you to submit the case, with all relevant material in your possession to a federal grand jury for its consideration of possible violations of the federal criminal code.

I will be most happy to assist in any way the grand jury's investigation and I am sure that the same goes for Mr. Fitzgerald.

Sincerely,

WILLIAM PROXMIRE,
U.S. Senate.

COVER-UP STILL STANDS

(By Clark R. Mollenhoff)

WASHINGTON.—Despite the lessons to be learned from the Watergate cover-up, the Justice Department has failed to wipe out an Air Force cover-up of improper and illegal acts by the top military and civilian personnel who fired Air Force cost analyst A. Ernest Fitzgerald.

With the facts available in public records, Atty. Gen. William Saxbe should recognize that a defense against perjury and falsification of records charges in the multibillion-dollar C5A air transport scandal can become an obstruction of justice.

The genial former Ohio Republican senator should see the similarity between the Air Force claims of "executive privilege" and other arbitrary secrecy claims in the Fitzgerald case, and the White House role in the Watergate burglary and bugging.

It could be argued that there is less justification for Saxbe to permit his Justice Department to support the Air Force cover-up than there was for former White House chief of staff H. R. Haldeman and former special assistant John D. Ehrlichman to try to use the FBI and CIA to limit a full investigation of the Watergate burglary in June and July of 1972.

Certainly, in those first few days after the Watergate burglary, President Nixon, Haldeman and Ehrlichman might plead that they were unsure of the facts.

By contrast, the Fitzgerald case has been a controversy for more than five years. It started in an open congressional committee in November 1968 when Fitzgerald exposed the $2 billion in cost overruns on the C5A contract and stirred the wrath of his Air Force superiors.

The five-year ordeal of Fitzgerald is on the public record with the dirty details of Air Force generals and high civilians misusing their authority to retaliate against Fitzgerald for daring to tell the truth to Sen. William Proxmire, D-Wis.

A large part of the story has been told in congressional hearings and on the floor of the Senate in the period when Saxbe was a senator.

The Air Force's seamier activity is spelled out in a Civil Service Commission hearing that resulted in a finding that Air Secretary Robert C. Seamans Jr. had "wrongfully" used the "reduction in force" procedures to fire Fitzgerald. The Civil Service Commission has ordered Fitzgerald reinstated.

By March 1974, the Justice Department should have had time to prosecute the liars and the falsifiers who tried to frame Fitzgerald. Instead, the Justice Department is aiding and abetting a continuing cover-up in a $3 million civil damage suit that Fitzgerald has brought against those who he claims are responsible for his wrongful discharge.

Unless there is some genuine national security reason for hiding the record, the Justice Department's support of the Air Force against Fitzgerald is an obstruction of justice.

The law clearly states that it is a federal felony for any government official to retaliate against another employe for giving truthful testimony before a committee of Congress.

The record hows direct testimony as well as documentary proof to establish these facts:

Fitzgerald was warned by his superior that he should not testify on the nearly $2 billion in cost overruns on the C5A program.

Following his testimony, memorandums were circulated as to how he could be fired in the face of the law prohibiting retaliation, and in the face of warnings from Proxmire.

High Air Force civilians and military officers circulated unsubstantiated stories that Fitzgerald was a "dishonest person" involved in "conflicts of interest" and various security violations.

Four Air Force officers within the space of a few days filed secret reports against Fitzgerald alleging personal and official improprieties.

Brig. Gen. Joseph Cappuci, head of the Air Force Office of Special Investigations, admitted conducting an investigation of Fitzgerald on the basis of "vague" charges, and the July 1969 investigation established that the charges were without merit.

In the fall and winter of 1969, months after the Air Force investigation had washed out, Seamans, Spencer Schedler, deputy assistant air secretary, and various Air Force officers were still seeking to discredit Fitzgerald by whispering "security risk" and "conflict of interest" rumors.

With full knowledge that the charges against Fitzgerald had been washed out, the Air Force went through with the firing of Fitzgerald. His file was stripped of the reports that had cleared him of charges but the charges against him remained in the files.

Saxbe, busy with a new job, may not recognize the Air Force smearing of Fitzgerald as the same pattern of conduct that resulted in indictment of seven of President Nixon's political associates for obstruction of justice in the Watergate matter.

The technical term that covers the crime of failing to properly prosecute is "misprison." In the atmosphere of Watergate, Saxbe would be well advised to be diligent in his efforts to avoid neglect of his duties as the chief law enforcement officer in the nation.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TORNADOES STRIKE CRUEL BLOWS

Mr. ALLEN. Mr. President, last Thursday the forces of nature struck a devastating blow to my home State of Alabama and to a number of other States as tremendous tornadoes moved through the land, laying waste everything before them.

At latest count, 76 Alabamians were killed, hundreds were seriously injured, thousands made homeless, and property damage of upwards of $200 million was sustained in Alabama alone.

Although the Senate was engaged in deep and serious debate on the public financing of campaign bills, the majority leader made a decision that voting on amendments to this legislation would not be held Friday. I want to express my appreciation to him for his thoughtfulness, because this gave me the opportunity to go home to be with my fellow Alabamians in their time of need.

Mr. President, over the past weekend I toured the tornado stricken area of Alabama, and feel compelled to make a report of the damage and of my impressions gained from talking with hundreds of people.

I wish to commend the distinguished Senator from North Dakota (Mr. BURDICK) for making a field trip with his subcommittee of the Public Works Committee, going into the tornado stricken area of the country, and to Congressman BOB JONES for taking his Public Works Committee into Alabama and other areas. I also wish to commend Secretary of HUD Lynn for visiting the ravaged areas throughout the country, including a visit to my home State of Alabama.

When the tornado hit Alabama, I was at my Virginia residence, but by 8:30 the next morning I had sent messages of sympathy, encouragement, and offers of assistance back to Alabama, had called on the President to declare Alabama a disaster area for Federal assistance, and had started seeking to expedite the work of Federal disaster relief agencies.

I wish to commend Chairman JENNINGS RANDOLPH for his interest and deep concern for the plight of those who lost their loved ones and who lost all of their possessions, and I commend him for seeing to it that remedial legislation is already being considered in his committee.

On Friday morning I returned by plane to Alabama to be with our stricken people, to offer encouragement and moral support and to assist in any way that I possibly could.

While I wanted to visit all who had lost loved ones or who were injured or who had lost all of their possessions, this was impossible. I was able over parts of 3 days to visit Jasper, Guin, Moulton, Tanner, Athens, Decatur, and Huntsville and inspect the damage in those areas.

I saw hundreds of houses, trailers, and business houses demolished, powerlines down, public buildings destroyed, hundreds homeless and injured, the hospitals for hundreds of miles around filled with the injured, and scores who had lost loved ones. Many had lost everything they had—their loved ones and all of their possessions.

How sad it was, how heavy my heart was. How cruel fate had been.

But then as I looked closer, my heart was uplifted. People were sad, they were dazed by the tragedy, but they were not demoralized. Everyone was helping, eager to be of service: Civil Defense, the Red Cross, the Salvation Army, the National Guard, members of the Armed Forces, State, county, and city law enforcement officers, the State labor department, pensions and security, church groups, school groups, insurance adjusters, representatives of Federal agencies, public officials and employees of State, county, city, and nation, Scouts, civic clubs, utility employees and other dedicated men, women, boys, and girls.

At central points throughout the area hundreds of people were bringing in food and clothing, and neighbors were inviting victims into their homes. Clothing and food were coming in by the truckload from kind people from without our State. I saw dozens of houses already being rebuilt or re-roofed. REA, TVA, and Alabama Power Co. personnel were restoring electric service everywhere. Temporary housing in the form of mobile homes and HUD houses, food stamps, and unemployment compensation were being made available. Offices were being set up to make long-term, low-interest-rate loans.

Never have I seen our people more united. Never have I seen a better spirit among our people. Never have I seen our people more dedicated or more determined or more willing to share, to give of their means and to give of themselves, to rise above adversity.

As I meditated on the tragedy and its aftermath I thought of the tremendous force of the tornado and of the fact that man has unleashed weapons of destruction and of great force but how puny are man's powers when compared with the forces of nature, which is but another way of saying as compared with God's power.

And I thought that if we unite naturally and automatically in the face of tragedy can we not unite as a people in tranquil, peaceful times as well?

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HATHAWAY). Without objection, it is so ordered.

DIVISION OF TIME ON CLOTURE MOTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time for debate on the motion to invoke cloture tomorrow, under the rule, be divided and controlled equally between the distinguished Senator from Alabama (Mr. Allen) and the distinguished Senator from Nevada (Mr. CANNON).

The PRESIDING OFFICER. Without objection, it is so ordered.

VALIDATION OF AMENDMENTS TO BE PROPOSED TO S. 3044

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all amendments to the bill (S. 3044) which are at the desk tomorrow at the time the vote on the motion to invoke cloture begins, be considered as having met the reading requirement under the rule.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, after the orders for the recognition of Senators on tomorrow are completed, that there be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 5 minutes; and that the Senate then resume the consideration of the unfinished business at the conclusion of the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. NUNN) laid before the Senate the following letters, which were referred as indicated:

REPORT OF NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

A letter from the Administrator, National Aeronautics and Space Administration, transmitting, pursuant to law, a report of that Administration on plans to conduct the Lunar and Planetary Exploration program at a level in excess of that authorized by law (with accompanying papers). Referred to the Committee on Aeronautical and Space Sciences.

REPORT ON REAPPORTIONMENT OF AN APPROPRIATION

A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Department of Agriculture for the Food Stamp program. Food and Nutrition Service, for the fiscal year 1974, had been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation. Referred to the Committee on Appropriations.

REPORT OF MILITARY PROCUREMENT ACTIONS IN THE INTEREST OF NATIONAL DEFENSE

A letter from the Acting Assistant Secretary of Defense (Installations and Logistics), transmitting, pursuant to law, a report of military procurement actions in the interest of National Defense, for the period July-December 1973 (with an accompanying report). Referred to the Committee on Armed Services.

REPORT ON MEDICARE

A letter from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on Medicare, for the fiscal year 1972 (with an accompanying report). Referred to the Committee on Finance.

REPORT OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Progress and Problems in Developing Nuclear and Other Experimental Techniques for Recovering Natural Gas in the Rocky Mountain Area", Atomic Energy Commission, Department of the Interior, Federal Power Commission, dated April 2, 1974 (with an accompanying report). Referred to the Committee on Government Operations.

REPORT ON THE CIBOLO PROJECT, TEXAS

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a report on the Cibolo project, Texas (with an accompanying report). Referred to the Committee on Interior and Insular Affairs.

PROPOSED REALINEMENT OF NURSING HOME PROGRAM

A letter from the Under Secretary of Health, Education, and Welfare, relating to certain proposed realinements of functional responsibilities with respect to the nursing home improvement program (with accompanying papers). Referred to the Committee on Labor and Public Welfare.

PROPOSED LEGISLATION FROM DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Acting Secretary, Department of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend and transfer to the Department of Health, Education, and Welfare, the Native American program established under the Economic Opportunity Act of 1964 (with accompanying papers). Referred to the Committee on Labor and Public Welfare.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. NUNN):

A resolution adopted by the board of directors of The National Management Association, Dayton, Ohio, relating to the Office of President. Referred to the Committee on the Judiciary.

A resolution adopted by the DFL Caucus, Cannon Falls, Minn., praying for the enactment of legislation relating to abortion. Referred to the Committee on the Judiciary.

A letter, in the nature of a petition, from the President, American Federation of Teachers AFL–CIO, Washington, D.C., relating to H.R. 69, to extend the Elementary and Secondary Education Act, and other education programs. Referred to the Committee on Labor and Public Welfare.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. TALMADGE, from the Committee on Agriculture and Forestry, with amendments:

S. 3231. A bill to provide indemnity payments to poultry and egg producers and processors (Rept. No. 93–772).

By Mr. PASTORE, from the Joint Committee on Atomic Energy, without amendment:

S. 3292. A bill to authorize appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes (Rept. No. 93–773).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. MAGNUSON (for himself and Mr. COTTON) (by request):

S. 3319. A bill to authorize appropriations for the fiscal year 1975 for certain maritime programs of the Department of Commerce. Referred to the Committee on Commerce.

S. 3320. A bill to extend the appropriation authorization for reporting of weather modification activities. Referred to the Committee on Commerce.

By Mr. CLARK (for himself, Mr. ABOUREZK, Mr. DOLE, and Mr. MCGOVERN):

S. 3321. A bill to amend section 405 of the Agricultural Act of 1949, as amended, to provide that price support loans shall mature 1 year after the date on which they are made. Referred to the Committee on Agriculture and Forestry.

By Mr. HARTKE:

S. 3322. A bill to establish a Federal Disaster Coordinating Council, and for other purposes. Referred to the Committee on Government Operations.

By Mr. MONTOYA:

S. 3323. A bill to designate the Manzano Mountain Wilderness, Cibola National Forest, N. Mex.

S. 3324. A bill to designate the Bandelier Wilderness, in the Bandelier National Monument, N. Mex.; and

S. 3325. A bill to designate the "Apache Kid Wilderness", Cibola National Forest, N. Mex. Referred to the Committee on Interior and Insular Affairs.

By Mr. HUMPHREY:

S. 3326. A bill to authorize any officer or employee of the United States to accept the

voluntary services of certain students for the United States. Referred to the Committee on Post Office and Civil Service.

By Mr. McINTYRE:

S.J. Res. 204. A joint resolution to authorize the Secretary of the Interior to assist in the restoration and preservation of certain historic properties known as Strawberry Banke, Inc. Referred to the Committee on Interior and Insular Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MAGNUSON (for himself and Mr. COTTON) (by request):

S. 3319. A bill to authorize appropriations for the fiscal year 1975 for certain maritime programs of the Department of Commerce. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce, by request, for appropriate reference, a bill to authorize appropriations for the fiscal year 1975 for certain maritime programs of the Department of Commerce, and ask unanimous consent that the letter of transmittal and statement of purpose and need be printed in the RECORD with the text of the bill.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 3319

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That funds are hereby authorized to be appropriated without fiscal year limitation as the appropriation act may provide for the use of the Department of Commerce, for the Fiscal Year 1975, as follows:

(a) acquisition, construction, or reconstruction of vessels and construction-differential subsidy and cost of national defense features incident to the construction, reconstruction, or reconditioning of ships, $275,000,000;

(b) payment of obligations incurred for ship operating-differential subsidy, $242,800,000;

(c) expenses necessary for research and development activities, $27,900,000;

(d) reserve fleet expenses, $3,742,000;

(e) maritime training at the Merchant Marine Academy at Kings Point, New York, $10,518,000; and

(f) financial assistance to State Marine Schools, $2,973,000.

SEC. 2. In addition to the amounts authorized by section 1 of this Act, there are authorized to be appropriated for fiscal year 1975 such additional supplemental amounts for the activities for which appropriations are authorized under section 1 of this Act as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law.

SECRETARY OF COMMERCE,
Washington, D.C., February 25, 1974.

Hon. GERALD R. FORD,
President of the Senate,
U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed are six copies of a draft bill to authorize appropriations for the fiscal year 1975 for certain maritime programs of the Department of Commerce, together with a statement of purposes and provisions in support thereof.

We have been advised by the Office of Management and Budget that there would be no objection to the submission of our draft bill to the Congress and further that its enactment would be in accord with the program of the President.

Sincerely,

FREDERICK B. DENT,
Secretary of Commerce.

STATEMENT OF THE PURPOSES AND NEED OF THE DRAFT BILL TO AUTHORIZE APPROPRIATIONS FOR THE FISCAL YEAR 1975 FOR CERTAIN MARITIME PROGRAMS OF THE DEPARTMENT OF COMMERCE

Section 209 of the Merchant Marine Act, 1936, provides that after December 31, 1967 there are authorized to be appropriated for certain maritime activities of the Department of Commerce only such sums as the Congress may specifically authorize by law.

The draft bill authorizes specific amounts for those activities listed in section 209 for which the Department of Commerce proposes to seek appropriations for the fiscal year 1975, and reflects the continuing Department efforts to provide the essential resources required to accomplish the objectives of the Merchant Marine Act of 1970.

"(a) acquisition, construction, or reconstruction of vessels and construction-differential subsidy and cost of national defense features incident to the construction, reconstruction, or reconditioning of ships, $275,000,000." The fiscal 1975 ship construction program will provide multi-year funding of some ship construction contracts. It is anticipated that 1975 funding will cover unfinanced balances for 7 ships under fiscal 1974 contracts. Construction subsidy contracts for 9 ships are planned in 1975, with 5 ships being financed with 1975 funds and multi-year financing being ulitized for the remaining 4.

"(b) payment of obligations incurred for operating-differential subsidy, $242,800,000."

Operating subsidy funds requested for FY 1975 would provide for payment of subsidy on two passenger ships, three combination passenger-cargo ships, 185 general cargo liners, and 22 bulk carriers during the year. Additionally the request includes funds for payment of subsidies determined to be due subsidized operators for operations in prior years.

"(c) expenses necessary for research and development activities, $27,900,000."

The 1975 program provides funding for the initiation and continuation of R&D efforts to reduce the costs of operating and building U.S. ships. Major efforts in FY 1975 are planned in the areas of advanced nuclear ship development, ship machinery, more productive shipbuilding methods, improved navigation/communication systems, and investigation of shipboard automation. The principal aims are to improve the productivity of U.S. shipyards and to reduce the life cycle costs of U.S.-flag ships in order to make the U.S. martime industry more competitive with foreign fleets. The continued participation of industry in cost-sharing of R&D projects provides increased results for the government investment.

"(d) reserve fleet expenses, $3,742,000."

Funding provides for the preservation, maintenance and security of ships held for national defense purposes, distributed among three active fleet sites. Periodic represervation of hulls, machinery, and electrical components, combined with continuous application of cathodic protection to the bottoms, are methods employed in maintaining the ships for further service.

In fiscal 1975, funds will be used for the care of approximately 294 ships retained for national defense purposes. 130 other vessels will be scrapped by June 1975, assuming there is an acceptable market in scrap.

"(e) maritime training at the Merchant Marine Academy at Kings Point, New York, $10,518,000."

This requested authorization is for the operation of the Merchant Marine Academy at Kings Point to train cadets as officers for the U.S. merchant fleet in both peacetime and national emergencies. Approximately 200 officers graduate each year. A program increase is included to implement the Facilities Modernization Program at the Academy by expanding the physical training facilities, and by renovating part of one academic building.

"(f) financial assistance to State Marine Schools, $2,973,000."

The Maritime Academy Act of 1958, as amended (72 Stat. 622–624), authorizes a program of assistance for training of cadets at State marine schools for service as officers in the United States merchant marine. The six participating State schools, Maine, Massachusetts, Michigan, New York, Texas, and California, prepare officers to man our merchant ships in times of peace and national emergency.

The funding level of $2,973,000 will provide for grants in the amount of $75,000 to each of the participating State schools, allowances not to exceed $600 to cadets for uniforms, textbooks and subsistence, and funds for the maintenance and repair of the training ships used by the schools. A program increase is included to adequately fund maintenance and repair of the training ships.

Section 2.

The purpose of section 2 is to avoid having to amend the fiscal year 1975 authorization act if pay supplemental appropriations for that year are requested.

Funds for the remuneration of Maritime Administration employees at the National Defense Reserve Fleets and at the United States Merchant Marine Academy are included in this authorization request.

By Mr. MAGNUSON (for himself and Mr. COTTON) (by request):

S. 3320. A bill to extend the appropriation authorization for reporting of weather modification activities. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce by request, for appropriate reference, a bill to extend the appropriation authorization for reporting of weather modification activities, and ask unanimous consent that the letter of transmittal and statement of purpose and need be printed in the RECORD with the text of the bill.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 3320

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Act of December 18, 1971 (85 Stat. 736; 15 U.S.C. 330e), is amended by striking the word "and" after "June 30, 1973," and inserting after "June 30, 1974," the words "June 30, 1975, June 30, 1976, and June 30, 1977,".

SECRETARY OF COMMERCE,
Washington, D.C., March 13, 1974.

Hon. GERALD R. FORD,
President of the Senate, U.S. Senate, Washington, D.C.

DEAR MR. PRESIDENT: Enclosed are six copies of a draft bill to extend the appropriation authorization for reporting of weather modification activities, together with a statement of purposes and provisions in support thereof.

We have been advised by the Office of Management and Budget that there would be no

objection to the submission of our draft bill to the Congress and further that enactment would be consistent with the Administration's objectives.

Sincerely,

FREDERICK B. DENT,
Secretary of Commerce.

STATEMENT OF PURPOSE AND NEED

The proposed bill would extend the authorization of funds through the fiscal year ending June 30, 1977, for Public Law 92–205, "An Act to provide for the reporting of weather modification activities to the Federal Government". Section 6 of P.L. 92–205 authorizes appropriations to carry out the reporting functions under the Act only through the fiscal year ending June 30, 1974.

Pursuant to P.L. 92–205 the National Oceanic and Atmospheric Administration (NOAA) has underway an effective program for the reporting of non-Federally-sponsored weather modification activities. A complementary program for reporting of Federally-sponsored weather modification activities has also been initiated by agreement with appropriate Federal agencies. NOAA's program provides the only source of factual and useful information on all such activities carried out in this country. In accordance with the Act compilations of the reports are published on a periodic basis.

Continuation of the reporting program is critical for determining whether weather modification operations will be duplicative and will provide a data base for checking both desirable and undesirable atmospheric changes against the reported activities. All reported information is available to the public as well as to all Federal agencies. Under proposed amendments (Federal Register, Vol. 38, No. 213—Nov. 6, 1973) to the rules implementing the present law, an orderly inventory of weather modification activities will provide a single source of information on the safety and environmental precautions used in weather modification activities in the United States. Furthermore, under the proposed rules, if an examination of a report indicates possible adverse effects from a proposed weather modification project or interference with another nearby project, the program allows for notification of such possibilities to the appropriate operators and State officials.

By Mr. CLARK (for himself, Mr. ABOUREZK, Mr. DOLE, and Mr. MCGOVERN):

S. 3321. A bill to amend section 405 of the Agricultural Act of 1949, as amended, to provide that price support loans shall mature 1 year after the date on which they are made. Referred to the Committee on Agriculture and Forestry.

FARM COMMODITY LOAN BILL

Mr. CLARK. Mr. President, if the people most familiar with the history and operation of Federal farm programs were asked to pick the one program that has been the most effective in terms of cost and benefit, their selection undoubtedly would be the ever normal granary or, as it is commonly called, the commodity loan program.

This program began in 1933 with the creation of the Commodity Credit Corporation by Executive Order 6340. There have been changes in the program since then, but the function has remained the same. As the original legislation said, it was established:

> For the purpose of stabilizing, supporting, and protecting farm income and prices, of assisting in the maintenance of balanced and adequate supplies of agricultural commodities, products thereof, foods, feeds, and fibres, and of facilitating the orderly distribution of agricultural commodities . . .

That purpose is as valid in 1974 as it was at the depth of depression in 1933.

But the changing times that have brought changes in economic conditions, harvesting methods, storage facilities, and marketing procedures also require changes in the administration of a program that has served the Nation so well for 40 years.

The legislation I am offering today—along with Senators ABOUREZK, DOLE, and MCGOVERN—would make a small, but important, change in the commodity loan program. It would improve the program's compatibility with the needs of both farmers and consumers in 1974.

BACKGROUND

Under the present regulations, a nonrecourse Commodity Credit Corporation loan matures on the last day of the third month prior to the first month of the new crop year. That date is fixed—the date of the loan makes no difference. For example, loans were made, and will be made, on 1973 corn from the day the first bin or crib was filled last fall through June 30, 1974. But every loan on 1973 corn, regardless of whether it was disbursed on October 1, 1973, or will be disbursed on June 30, 1974, matures on July 31, 1974. All soybean loans mature on June 30, all oats loans mature on April 30, and all wheat loans normally mature on May 31 or April 30.

There was a sound reason for this in the 1930's. For instance, corn was harvested in the ear, stored in slatted cribs to dry—artificial dryers and combines had not been invented—and it was in the best condition to move to market in midsummer.

Now artificial driers are commonplace. The moisture content of grain in storage can be regulated carefully. Now approximately 75 percent of all corn grown in the United States was shelled before storage, and the corn harvested and stored in the ear is intended primarily for livestock feed on the producing farm or in the immediate area.

Grain production has doubled since the 1930's, compounding the storage and transportation problem, as the experience of the last 3 crop years has shown all too well.

There is no longer a valid reason for preferring one fixed date in the year for moving a commodity under loan from storage. As long as the movement is not bunched together, any date will be satisfactory. And considering the original and still-valid purposes of the program, this change in the administrative regulations of the program, certainly is justified.

THE BILL'S PROVISIONS

This proposal would amend the Agricultural Act of 1949, providing that "A nonrecourse loan shall mature 1 year after the date on which the loan is made unless the maturity date of the loan is extended by the Secretary."

This simple change would mean that the farmer who negotiates a CCC loan on corn in October 1974, will have exactly 1 year to dispose of the corn on the market or repay the loan and utilize it for livestock feed. The farmer who waits until June 1975 to obtain a loan on his 1974 harvested corn will have a current loan until June 1976.

The same principle would apply on all agricultural commodities on which a nonrecourse loan is available.

The bill would give farmers more freedom in selecting the time to market their production or, if they choose to feed the grain to livestock, it would give them the opportunity to take the loan late in the season and hold it as a hedge against poor production the second year.

Commodities would come on the market every day of the year, minimizing the price slump that comes with heavy marketings and the price rise that usually comes with light marketings even when total stocks are adequate.

As a result of this bill, the Government would have less influence on the time of marketing, and the year-round marketing of all commodities would alleviate periodic transportation problems.

Producers would use this more practical loan program to increase the amount of grain and soybeans stored on the farm, providing a strategic reserve of feed grain, oil seeds, and food grain in farm storage and local warehouse storage, completely under the control of the farmer. Since loans could be repaid at any time, market conditions would draw the commodities into the market when needed.

CONSUMER BENEFIT

This change in the commodity loan program would benefit consumers as well as producers. Fluctuating prices of feed grains and soybeans have disrupted cattle and hog feeding more than anything else. The supply and price of meat in the grocery store reflect the stability or instability of grain and feed supplement prices on the farm, and this legislation would help provide stability.

Mr. President, this proposal would have a beneficial effect on producers and consumers. I hope the Senate can give it prompt consideration and approval.

I ask unanimous consent that the bill and letters from farmer and commodity organizations about it be printed in the RECORD.

There being no objection, the bill and letters were ordered to be printed in the RECORD, as follows:

S. 3321

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 405 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new sentence as follows: "A nonrecourse loan shall mature one year after the date on which the loan is made unless the maturity date of the loan is extended by the Secretary."

SEC. 2. The amendment made by the first section of this Act shall be effective with respect to loans made on and after the date of enactment of this Act.

MIDCONTINENT FARMERS ASSOCIATION,
Columbia, Mo., February 19, 1974.

HON. DICK CLARK,
Senate Office Building, Washington, D.C.

DEAR SENATOR: The bill which you propose to amend Section 405 of the Agricultural Act of 1949 would appear to be quite meritorious. At least farmers who place their commodities

under non-recourse loans would know that the loan would prevail for at least one year and could, with the approval of the Secretary, have the date of the loan extended. We would favor this type of legislation.

I apologize again for the delay in providing you a reply.

Yours very truly,

L. C. "CLELL" CARPENTER.

IOWA FARMERS UNION,
Des Moines, Iowa, February 14, 1974.

Hon. DICK CLARK,
Old Senate Office Building, Washington, D.C.

DEAR DICK: I understand you have in mind introducing a bill which would require that the initial maturity date for a government commodity loan be 12 months from the time it is taken out. I see considerable merit in such a change from the present policy under which the maturity date for each commodity is the same for all producer borrowers regardless of when the loan is obtained.

As it is now, the initial loan period at most covers no more than 8 to 9 months from the time the crop has been harvested and is ready for sealing. Moreover, redemptions through sale of the commodity tend to be bunched during the last month or two of the loan period with, of course, softening effects on the cash market. With a fixed common maturity date and especially with advance notice having been given (as in the case of the 1973 crop) that there will be no resealing, the grain trade can pretty well anticipate what will happen in the way of deliveries.

A spread on loan maturities would tend somewhat to ease the pressure on local elevators to receive the grain collateral and arrange outbound transport if needed.

Producers also would be under less pressure to make redemption and disposal decisions well before the new crop prospects are fully developed. There would be less peaking of work loads on the federal loan program staff.

Producers who depend on local elevator space to receive their crop at harvest might not always be able to get a storage commitment beyond late summer, hence would not have advantage of 12 months in which to elect a redemption date. A storage deadline, however, would be a matter for agreement between the producer and the warehouse management.

Respectfully,

LOWELL E. GOSE,
President.

IOWA FARM BUREAU FEDERATION,
Des Moines, Iowa, February 18, 1974.

Hon. DICK CLARK,
U.S. Senate, New Senate Office Building, Washington, D.C.

DEAR SENATOR: We appreciate receiving a copy of the bill you plan to introduce concerning maturity of price support loans.

We discussed these provisions with our board of directors at the last meeting. At the moment, we see no disadvantages in doing this and believe the advantages you've outlined in your letter are real and that the legislation has merit.

Unless something comes to our attention that we do not now know of, we would certainly support you in this legislative effort.

Sincerely,

J. MERRILL ANDERSON,
President.

NATIONAL CORN GROWERS ASSOCIATION,
Boone, Iowa, February 11, 1974.

Senator DICK CLARK,
Senate Office Building,
Washington, D.C.

DEAR DICK: You hit a sensitive nerve in your letter to me of February 6 concerning the bill you plan to introduce in the Senate in the near future concerning making non-recourse agricultural loans so they expire 12 months after the date they are made, rather than all at the same time for each crop.

We have long recommended this action to USDA and have felt that they did not want to give it up for reasons of outside pressure. As you point out, with corn loans coming due on July 31, the producer with grain under loan must make a decision well before that date if he does not want to get caught in a last minute rush of sales by other producers who may wait until near the closing date.

Furthermore, he has been put under pressure in the past by CCC via mailings with return cards enclosed asking for his decision on either redeeming or delivering his grain to the CCC in satisfaction of the loan. These requests have usually come in late June. This is when the corn belt looks like a garden and the market has had no chance to reflect any bad news concerning the crop. Cash sale of his previous year's corn then further depresses the market.

Worst of all, with the decision by the producer usually being made well ahead of July 31, a market advance in price caused by bad growing weather in the U.S. or unfavorable crop conditions in other major countries of the Northern Hemisphere cannot be taken advantage of by him. This has happened time after time, with the buyer of the grain benefiting and the producer watching the price go up after he sold.

Defenders of the present loan policy can say that the producer can do the same as the buyer, i.e. redeem the loan by paying principal and interest and keep the grain so that he is in possession of it when the market goes up. The fallacy is that the producer does not have the private credit available to him to do so as at this time of the year he is in one of his highest borrowing periods already.

All your points are well taken and I concur in them. It might be that the warehouse receipt loans which represent corn under loan in elevators will have to be redeemed no later than August 31 in order for the elevator to have time to move it out so as to make room for the new oncoming crop. But in any event, these loans should be allowed to run until August 31 which would keep the grain in the producer's control through the crucial crop scarce month. You'll soon hear from the country grain trade if they don't think keeping warehouse loans past their present expiration date is practical for them.

I'll look forward to talking with you in person about this. As you know, I plan to testify on February 21 concerning the corn allotment matter before the Senate Agricultural Committee at your invitation. I'll no doubt see you then.

Yesterday we forwarded to you our new cost of production figures for corn under two growing circumstances. Copies also went to Bob Wegmueller.

Sincerely,

WALTER W. GOEPPINGER,
Chairman of Board.

IOWA PORK PRODUCERS ASSOCIATION,
Des Moines, Iowa, February 11, 1974.

Senator DICK CLARK.

DEAR SENATOR: I think this Bill to amend section 405 of the Agricultural Act of 1949 as amended to provide that price support loans shall mature one year after the date on which they are made is a sound proposal.

This should have been done a long time ago so that all the corn wouldn't be delivered at the same time. And so they couldn't suppress the market until after the corn and beans are released.

I think this is a very good bill and if you need any more support let me know.

Keep up the good work.

Sincerely,

PAUL BERNHARD.

By Mr. HARTKE:

S. 3322. A bill to establish a Federal Disaster Coordinating Council, and for other purposes. Referred to the Committee on Government Operations.

FEDERAL DISASTER ASSISTANCE ACT OF 1974

Mr. HARTKE. Mr. President, today I am introducing legislation which will speed relief to the victims of the recent wave of tornadoes. My proposal establishes a Federal Disaster Coordinating Council within the Executive Office of the President in order to coordinate the work of the several Federal agencies which have disaster relief responsibilities.

Mr. President, I need not recount in detail the terrible ravage of the recent tornadoes. The vicious winds streaked across my home State of Indiana killing more than 50 persons and injuring more than 1,000. I understand that this is the worst tornado the Nation has seen since 1965, but we in Indiana suffered severely from the Palm Sunday tornadoes of 1965.

Nearly 100 twisters struck with the thundering sound of fast-moving freight trains within 8 hours last Wednesday night in an area from Oklahoma to Georgia to Michigan. They left more than 300 dead in their wake and property damage estimated at more than $1 billion.

In Indiana, the hardest hit communities were Hanover in the southern portion of the State and Rochester and Monticello in the north-central region. One newspaper account noted that a tornado took only 1 minute to cross Monticello and demolish most of that community.

The tornadoes lifted a panel truck 250 yards in Knightstown, destroyed the Monroe Central High School in Kennard and demolished a White County courthouse in Monticello. Five were killed in Madison and a section of the city called "New Madison" was almost completely destroyed. Eight were killed in Monticello, many more injured and a five-block downtown area was severely damaged. Seven are dead in Rochester with residential areas there suffering severe damage. Three were killed in Hanover, where the Hanover College campus suffered $10 million in damages and 50 homes in one subdivision were destroyed. There was heavy damage to Fountaintown. Seventy-five percent of the homes in Kennard were destroyed. Eleven were injured in Swazee and a trailer park destroyed. In Parker, several high school students were injured, and there are two dead in Hamburg.

Mr. President, it is difficult to translate these statistics into reality unless you see the ravages of a tornado firsthand. I have visited some of the stricken areas, and intend to take several members of my staff to those areas during the upcoming recess. We will do all that we can to provide those left homeless and those whose businesses were destroyed with immediate assistance.

Tornadoes disrupt the lives of individuals, families, and communities. For that reason, we should do everything in our power to assure that governmental assistance arrives quickly so the disruption can be minimized. That is the intent of my proposal.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3322

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Federal Disaster Assistance Act of 1974.

TITLE OF PURPOSE

SEC. 1 (a) The Congress hereby finds and declares that—

(1) because of the recent tornadoes which resulted in the loss of many human lives and extensive damages to property; and

(2) because disasters often cause loss of life, human suffering, loss of income, and property loss and damage; and

(3) because disasters often cause disruptions which affect individuals and families with great severity; and

(4) because there is a need to expedite Federal assistance to the victims of disasters so that disruptions and suffering can be minimized; therefore

(b) It is the intent of the Congress, by this Act, to provide an effective means of coordinating Federal disaster assistance efforts.

ESTABLISHMENT OF THE FEDERAL DISASTER COORDINATING COUNCIL

SEC. 2. (a) There is hereby established in the Executive Office of the President a Federal Disaster Coordinating Council which shall coordinate the activities of all Federal agencies providing disaster assistance.

(b) The President may direct any Federal agency, with or without reimbursement, to utilize its available personnel, equipment, supplies, facilities, and other resources including managerial and technical services in support of State and local disaster assistance efforts, and

(c) The President may prescribe such rules and regulations as may be necessary and proper to carry out the provisions of this Act.

By Mr. MONTOYA:

S. 3323. A bill to designate the Manzano Mountain Wilderness, Cibola National Forest, N. Mex.;

S. 3324. A bill to designate the Bandelier Wilderness, in the Bandelier National Monument, N. Mex.; and

S. 3325. A bill to designate the "Apache Kid Wilderness," Cibola National Forest, N. Mex. Referred to the Committee on Interior and Insular Affairs.

Mr. MONTOYA. Mr. President, today, I am introducing three bills to create the Bandelier, Apache Kid, and the Manzano Wilderness Areas under the provisions of the Wilderness Act of 1964.

As a nation, we are growing at an astronomical rate. Our country is becoming increasingly urban. With this in mind, the Wilderness Act of 1964 was passed. The Wilderness Act recognizes the need for areas free from concrete and skyscrapers and seeks to protect places of natural beauty from the encroachment of urban progress. I quote from the New Mexico Wilderness Study Committee:

> The purpose of the Wilderness Act is to assure that man shall have some places in this country to which he can go when seeking surcease from the noise and speed of machines, the confines of steel and concrete, the crowding of man upon man; that he or she shall have some place to go when the need is felt to be in harmony with nature and to know its peace and beauty undisturbed by man.

The Bandelier Area contains 22,130 acres of land dotted with archeological sites. The map of the proposed area shows a number of developed sites which will not be included in the wilderness area. Other archeological sites are located within the proposed wilderness. These can be excavated using techniques which do not require machinery or additional constructions, should it be decided that they should be excavated. My bill differs from the House version in that it includes the Upper Frijoles Canyon and the Canada de Cochita Grant Area. A major portion of the proposed wilderness area is backcountry accessible only by foot trails. This makes it particularly suitable for hiking and backpacking. Placing this area under the Wilderness Act would insure its virgin beauty for years to come.

The Apache Kid Area is one of the largest remaining areas in New Mexico to receive wilderness consideration. Due to its rugged terrain it is probably the least known of New Mexico's possible wildernesses. There is a network of trails in the area for hiking, backpacking, and horseback riding. This area is particularly needed as an overflow for the Pecos Wilderness Area.

The Manzano Area consists of terrain similar to the Apache Kid, and Bandelier Areas. It is of special value, because it is close to Albuquerque. Much of the 37,000 acres, which is canyon land is honeycombed with trails suitable for hiking and backpacking.

We, as a Nation, cannot afford to be without these areas as part of our wilderness system. We, as a nation, can afford to protect our esthetic desires by designating these areas under the Wilderness Act of 1964.

With the foregoing in mind, I urge enactment of these bills.

By Mr. HUMPHREY:

S. 3326. A bill to authorize any officer or employee of the United States to accept the voluntary services of certain students for the United States. Referred to the Committee on Post Office and Civil Service.

STUDENT INTERN AMENDMENT TO CIVIL SERVICE LAW

Mr. HUMPHREY. Mr. President, I am today introducing legislation which will provide relief from existing civil service regulations that place severe constraints upon programs that provide unsalaried educational internships in Federal agencies for high school, college, and graduate students.

The purpose of this bill is to allow our Federal agencies to open their doors to student involvement in challenging apprenticeship roles which can greatly enhance the participants' knowledge about Government. Because such student activity exists primarily for the educational and intellectual benefit of the interns, I can see no justification for the existing regulations which prohibit unsalaried service, and which prevent the creation of thousands of additional opportunities for young people.

Surely, in these critical times, youth involvement in Government is essential, and we should be creating new avenues for young people to enrich their textbook knowledge of Federal administration. Perhaps, in the process, we may be fortunate enough to attract some of these interns into public service careers.

As a model of such an educational program, I commend to the Senate's attention the Executive High School Internships of America. This program, which annually involves 1,300 high school juniors and seniors across the country, enables young people to serve as special assistants-in-training to executives in Government and related fields. The internship carries a full semester of academic credit, but no pay. Sponsoring executives are required to provide a broadly stimulating educational experience and are specifically prohibited from using students as clerks, messengers, or for other functions for which people would be compensated. Incidentally, the founder and national director, Dr. Sharlene Pearlman Hirsch, got the idea after serving as a Washington intern in education in the U.S. House of Representatives.

The program's National Advisory Board includes two of my distinguished colleagues in the Senate, Mr. JAVITS, of New York, and Mr. MONDALE, of Minnesota, and two from the House, Mr. BRADEMAS, of Indiana, and Mr. ORVAL HANSEN, of Idaho. I congratulate them on their support of this outstanding effort.

Mr. President, I ask unanimous consent that the text of my bill be included at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3326

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of section 3679 of the Revised Statutes of the United States (31 U.S.C. 665(b)) or any other provision of law, any officer or employee of the United States may accept voluntary service for the United States if such service is performed by a person who is enrolled as a student, not less than half-time, in an institution of higher education or a secondary school at the time the person makes application to perform such voluntary services.

SEC. 2. As used in this Act, the terms "institution of higher education" and "secondary school" have the same meaning as prescribed for such terms in section 1201 of the Higher Education Act of 1965 (20 U.S.C. 1141).

By Mr. McINTYRE:

S.J. Res. 204. A joint resolution to authorize the Secretary of the Interior to assist in the restoration and preservation of certain historic properties known as Strawberry Banke, Inc. Referred to the Committee on Interior and Insular Affairs.

STRAWBERRY BANKE, INC.—AMERICA'S PREMIERE HISTORIC RESTORATION

Mr. McINTYRE. Mr. President, I send to the desk for proper reference a joint resolution to authorize the Secretary of the Interior to assist in the restoration and preservation of certain historic properties known as Strawberry Banke, Inc., in Portsmouth, N.H.

The Congress has identified the year 1976 for the Bicentennial celebration of the founding of our Nation, Mr. President, and both the legislative and executive departments have determined that this celebration should give highest priority to programs to preserve, restore and maintain for public appreciation sites, buildings and objects of historical, architectural and archeologial significance.

In keeping with the charge, Mr. President, the resolution I am introducing today would authorize not more than $2,900,000 to carry out the Nation's premiere historic restoration project under provisions of an act first approved in August of 1935.

I use the word "premiere" to describe the Strawberry Banke restoration project because the adjective is accurately applied. The Bicentennial celebration marks the 200th aniversary of the founding of our Nation, but the settling of Portsmouth, N.H., by English colonists predates that happy event by no less than 146 years, and efforts to restore the most historic part of the city commenced 18 years before we even begin to observe the Bicentennial.

Strawbery Banke, Inc., a private, nonprofit, educational, scientific, and charitable organization, filed articles of agreement basic to incorporation in 1958, and a year later the New Hampshire Legislature voted to allow any town or city to preserve and restore old buildings as part of renewal development.

Five years later, Strawbery Banke, Inc., acquired an urban renewal site of 10 acres in Portsmouth. On those 10 acres were 27 houses dating back to the 17th, 18th, and early 19th centuries and still standing on their original sites.

Federal funds made available to this project through the Department of Housing and Urban Development were augmented by $215,000 raised through a local bond issue by the city of Portsmouth and more than $185,000 from the State of New Hampshire.

An overall investment of $1,800,000 to date has made it possible for today's visitors to Strawbery Banke to step back two centuries onto narrow colonial streets crowded with the modest but substantial homes of packetmasters, fishermen, and shipwrights where such historic figures as George Washington, John Paul Jones, Lafayette, and Daniel Webster either lived or visited.

Despite the outstanding success of this restoration project, Mr. President, the unhappy facts of life are that yearly receipts through general admissions, memberships, contributions, and rental income fall far short of the costs of property insurance, groundskeeping, salaries and wages, payroll taxes and other expenses.

Because of the imminence of the Bicentennial, because New England represents the historic birthplace of the American people, because Strawbery Banke is, indeed the premiere historic restoration project in our Nation, because an adequate injection of Federal funds can make it possible for its incorporators to continue to preserve a local society that can serve as an inspiration to other communities throughout the country now, during the Bicentennial and after, I am introducing this resolution.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 947

At the request of Mr. TUNNEY, the Senator from Connecticut (Mr. RIBICOFF) was added as a cosponsor of S. 947, to amend the Internal Revenue Code of 1954 to allow a business deduction under section 162 for certain ordinary and necessary expenses incurred to enable an individual to be gainfully employed.

S. 1311

At the request of Mr. GRIFFIN, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 1311, to amend the Communications Act of 1934 to provide that renewal licenses for the operation of a broadcasting station be issued for a term of 5 years and to establish certain standards for the consideration of applications for renewal of broadcasting licenses.

S. 2801

At the request of Mr. PROXMIRE, the Senator from Wyoming (Mr. HANSEN) was added as a cosponsor of S. 2801, to amend the Food, Drug, and Cosmetic Act, and for other purposes.

S. 2854

At his own request, Mr. GRIFFIN was added as a cosponsor of S. 2854, a bill to amend the Public Health Service Act to expand the authority of the National Institute of Arthritis, Metabolic, and Digestive Diseases in order to advance a national attack on arthritis.

S. 3098

At the request of Mr. DOLE, the Senator from California (Mr. TUNNEY) was added as a cosponsor of S. 3098, a bill to amend the Emergency Petroleum Allocation Act of 1973 to provide for the mandatory allocation of plastic feedstocks.

S. 3154

At the request of Mr. RIBICOFF, the Senator from Minnesota (Mr. MONDALE) and the Senator from Iowa (Mr. HUGHES) were added as cosponsors of S. 3154, the Comprehensive Medicare Reform Act of 1974.

SENATE JOINT RESOLUTION 14

At the request of Mr. BROCK, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of Senate Joint Resolution 14, a joint resolution proposing an amendment to the Constitution of the United States relating to open admissions to public schools.

SENATE JOINT RESOLUTION 181

At the request of Mr. DOMINICK, the Senators from Hawaii (Mr. FONG and Mr. INOUYE) were added as cosponsors of Senate Joint Resolution 181, to designate the third week in April of each year as National Coin Week.

SENATE JOINT RESOLUTION 203

At the request of Mr. ROTH, the Senator from Maine (Mr. MUSKIE), the Senator from Rhode Island (Mr. PASTORE), the Senator from Kentucky (Mr. COOK), and the Senator from Alaska (Mr. GRAVEL) were added as cosponsors of Senate Joint Resolution 203, to authorize the President to issue a proclamation designating the month of May 1974 as "National Arthritis Month."

ADDITIONAL COSPONSORS OF A RESOLUTION

SENATE RESOLUTION 301

At the request of Mr. THURMOND, the Senator from Missouri (Mr. SYMINGTON) was added as a cosponsor of Senate Resolution 301, in support of continued undiluted U.S. sovereignty of jurisdiction over the U.S.-owned Canal Zone on the Isthmus of Panama.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

AMENDMENTS NOS. 1157 THROUGH 1160

(Ordered to be printed and to lie on the table.)

Mr. ROTH submitted four amendments intended to be proposed by him to the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

AMENDMENT NO. 1161

(Ordered to be printed and to lie on the table.)

Mr. EAGLETON. Mr. President, with the cosponsorship of the junior Senator from Alabama (Mr. Allen) I offer an amendment to S. 3044, the Federal Election Campaign Act Amendments of 1974.

Stated very simply, this amendment would lock shut forever the door to one of the oldest loopholes for improper campaign contributions—contributing through the name of one's minor child. This amendment would make it illegal for anyone to direct, request, or otherwise induce their children, or the children of their family, under the age of 16 years to make a political contribution.

As presently written, will S. 3044, the Federal Election Campaign Act Amendments of 1974, allow a 12-year-old child to contribute to a candidate if the child's parent has already contributed the maximum amount to a same candidate?

Section 310 of the Federal Elections Campaign Act of 1971 says:

> No person shall make a contribution in the name of another person and no person shall knowingly accept a contribution made by one person in the name of another person.

The spirit of this section has been interpreted to allow the parent of a minor to make a contribution in the name of the minor.

S. 3044, the Federal Election Campaign Act Amendments of 1974, would amend this section of the Election Act of 1971 by adding the words "or knowingly permit his name to be used to effect such a contribution." This addition places liability for a contribution made in the name of another person, upon the person whose name was used. It does not address itself to the original question of the minor child of a contributor who has

given a maximum amount allowable under S. 3044 to a Federal candidate.

Survey of the three major Federal agencies charged with enforcement of Federal Election laws—the Department of Justice, the Office of Federal Elections of the General Accounting Office, and the Office of the Secretary of the Senate—found a consensus interpretation of section 310 of the Federal Election Campaign Act of 1971. All agreed that under the present law, as amended by S. 3044, the question of a minor child contributing to a candidate after his parent had made the maximum contribution to the same candidate could be argued either way. They agree that the law in its present form, as amended by S. 3044, does not nail down the ambiguity regarding this particular question.

Mr. President, I ask that the text of the amendment to S. 3044, the Federal Election Campaign Act Amendments of 1974 be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1161

On page 77, line 9, after "contributions" add a semicolon and "contributions through minors".

On page 77, line 10, insert "(a)" before "No".

On page 77, beginning in line 14, strike out "Violation of the provisions of this section is punishable by a fine of not to exceed $1,000, imprisonment for not to exceed one year, or both.".

On page 77, between lines 16 and 17, insert the following:

"(b) No person may direct, request or otherwise induce any of his children or the children of his immediate family (as defined in section 608), who has not attained the age of 16 years to make a contribution to or for the benefit of a candidate or a political committee.

"(c) Violation of any provision of this section is punishable by a fine of not to exceed $1,000, imprisonment for not to exceed one year, or both.

On page 78, after line 22, strike out the item relating to section 616 and insert in lieu thereof the following:

"616. Form of contributions; contributions through minors.

HEALTH SERVICES RESEARCH AND MEDICAL LIBRARIES ACT—AMENDMENTS

AMENDMENTS NOS. 1162 THROUGH 1174

(Ordered to be printed and to lie on the table.)

Mr. BEALL submitted 13 amendments intended to be proposed by him to the bill (H.R. 11385) to amend the Public Health Service Act to revise the programs of health services research and to extend the program of assistance for medical libraries.

ANNOUNCEMENT OF HEARINGS

Mr. JOHNSTON. Mr. President, last week Mr. Julius Shiskin, the Commissioner of Labor Statistics, announced major changes in the present method of computing the Consumer Price Index.

The Consumer Price Index is the most widely used measure of inflation. It is designed to provide an accurate indication of what the average American consumer must pay for basic needs.

The Consumer Price Index is, of course, extremely important to economic policymakers who must rely upon the index in making critical judgments on the rate of inflation.

But the index is even more crucial to the millions of Americans whose entitlement to wage and other benefits is explicitly tied to the CPI. Some 50 million Americans have incomes or receive payments which are affected by movements in the CPI. There are 5.1 million unionized workers with wage escalator clauses; 29 million social security recipients; 2 million retired military and civil service employees; 600,000 postal workers; and 13 million food stamp recipients. In addition, various other private agreements are dependent upon movements in the CPI, including leases, divorce settlements, and retirement benefits.

Because of the importance of the proposed changes in the Consumer Price Index, the Subcommittee on Production and Stabilization of the Committee on Banking, Housing and Urban Affairs will hold hearings on these proposals on April 23, 1974 at 2 p.m. in room 5302 of the Dirksen Building. At that time we intend to hear from Mr. Shiskin and representatives of those most directly affected by the proposed changes.

ADDITIONAL STATEMENTS

NATIONAL BOY OF YEAR

Mr. HUGH SCOTT. Mr. President, I had the great pleasure last week of meeting a remarkable young man, George R. Clark, Jr., of Philadelphia. George had just been selected the National Boy of the Year by the Boys' Club of America. I was quite impressed with his enthusiasm, poise, and sincerity and was delighted that the Boys' Club of America made such a fine choice.

I ask unanimous consent that an article in Friday's Philadelphia Inquirer about George Clark be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HE'S AN ALL-AMERICAN BOY

George R. Clark Jr., a 17-year-old senior at Edison High School, and the R. W. Brown Boys' Club on Columbia ave. have combined to give Philadelphia a double honor.

George Clark won the National Boy of the Year award from the Boys' Club of America and went to the White House for a personal presentation from President Nixon. This is the first time that one club has had a national winner two consecutive years. Gilbert Baez, last year's winner, is now a student at Dickinson College.

One of five children of Mr. and Mrs. George R. Clark Sr. of North Franklin st., George Jr. is an all-around all-American teen-ager. He is president of his class at Edison and captain of the basketball team. A versatile athlete, he is also a letter-winner in baseball and track and sports editor of the yearbook. A B-average student, he tutors children in reading and, with all this, still finds time for a busy schedule of leadership responsibilities in Boys' Club activities.

Speaking for all the family, his mother said, "We are very proud of George." So is all of Philadelphia.

AMERICA'S ECONOMIC FUTURE

Mr. BENTSEN. Mr. President, as I travel around the country I listen to many Americans who are deeply worried about the long-range viability of our Nation's economy.

Some people question whether we can maintain in the future previous levels of economic growth. Others wonder whether high rates of economic growth will damage the quality of life. Even scholars warn that an end to progressive economic development may be in sight.

Everyone has heard the voices of gloom:

We are being swallowed by pollution.

We are drowning in overpopulation.

We are growing beyond the limits of our natural resources.

Technological advance is destroying human values.

These familiar chords echo across the land. Our citizens are spinning in the swiftly moving current of change. They are bewildered by rapid and repeated economic disruptions—by booms and busts—unsuccessful phases and empty phrases.

The rush of events eats away at the bedrock of our institutions, and forces our people to struggle simply to keep their livelihoods from being swept away by steeply rising prices and unacceptably high levels of unemployment.

Many Americans are beginning to feel that the reins of the public interest are out of hand, and that Government by crisis has become the norm.

The response I witness to this continual condition of crisis is of very great concern to me. I see aggravation and then alienation among many of our people. I see as well active attempts to put a stop to economic growth in America.

If we choose to withdraw in frustration, sit back in apathy, or boil over in hasty outrage, our economic future can only be bleaker and more uncertain. Shortages of all shapes and sizes, as well as higher levels of unemployment and accelerating inflation may become business as usual. But we can prevent this dismal outcome by using the intelligence and ingenuity which have provided the United States a great record of economic progress.

I believe that growth need not end nor become a disparaging word. Healthy economic growth—properly channeled and well balanced—is beneficial. It enriches the quality of life. It raises the standard of living of many of our lower income families. And it maintains and improves the high level of comfort most Americans expect.

One has only to look ahead to the rest of 1974 to understand what economic stagnation means: it means productivity will decline and wage costs will rise. Yet for many workers, real income will fall because of rampant inflation. It means that some struggling new businesses will be forced into bankruptcy while more established firms will have to cut back on funds for innovation and other progressive activities. It means personal suffering for the 1 million more Americans who may be unemployed by the end of 1974, and the possible loss of another $30 billion of national output. And above

all, it means an increase in social discord as workers, farmers, and businessmen compete for a shrinking economic pie. I believe that Americans have a right to demand more than they are getting under existing policies.

Last year, we saw not only an energy shortage but also a beef shortage, a paper shortage, a fertilizer shortage, a pipe shortage, and even a bailing wire shortage. And throughout those troubles we saw a shortage of forward Government strategy—a lack of preparation for anticipating and answering problems before they became the next crisis.

I believe the private free enterprise system is the dominant decisionmaker in our economy—and I would not have it any other way. A free competitive market still provides the most efficient allocation of goods and services within our economy. But with the Federal Government spending $1 out of every $4, we cannot ignore its impact. The spending, taxing, borrowing, and regulatory policies of the Federal Government give our economy substantial direction. In recent years we have achieved what growth we have in spite of rather than because of Government policies. I have no doubt that in the years ahead we must do better.

It is essential that we begin now to examine the economic policies required to meet our future needs before we are once again caught short. The continued absence of long-range thinking about our best policy options can only lead us pell-mell into more pitfalls of crisis management.

The Congress should have a role in developing this forward-looking economic strategy. I am afraid we are so preoccupied with present problems that we are not doing nearly enough in taking the longer range view—or in developing policies to help solve the major economic problems which lie ahead.

At the beginning of the year, I approached the chairman of the Joint Economic Committee and its members with a proposal to set up a new subcommittee for the purpose of launching a major effort to spotlight the roadblocks in this Nation's economic future and to furnish the Congress with reasoned longrun policy options and their projected consequences.

The response was enthusiastic, and I am pleased that a Subcommitte on Economic Growth has been established, which I will chair. The distinguished members of the new subcommittee are Senators PROXMIRE, RIBICOFF, HUMPHREY, JAVITS, and PERCY; and Congressmen REUSS, MOORHEAD, WIDNALL, and CONABLE.

In undertaking this important task we are, indeed, fortunate to have the participation of experienced men of such high caliber and great expertise. I look forward to working with them to diagnose the complex challenges ahead and to recommend policy choices to insure that we achieve healthy and balanced economic growth which is consistent with social priorities and which improves the quality of American life.

In order to develop long-range economic policy options there is a need for our subcommittee to examine some available projections of national economic growth potential and productivity trends over the next 10 years. These projections and trends will provide a useful overview of the long-term economic framework for the initial hearings on May 7, 8, and 9.

As we explore the prospects for the U.S. economy in the years ahead our uppermost priority is the well-being of American citizens and the long-range need for full and productive employment.

Our subcommittee realizes that the composition of the labor force has changed in recent years, but I am one Senator who is not willing to abandon the full employment concept of 4 percent. Bear in mind that the 1-percent increase in unemployment which the administration is apparently willing to accept as a full employment target means a million more Americans out of work. In addition to the loss in national output, the Federal Treasury will forego between $12 and $15 billion in tax receipts while at the same time the Government will be forced to pay out $2 to $3 billion more in unemployment compensation.

Our long term full employment objective should maintain unemployment rates substantially below 4 percent. We need better manpower training and educational services for our workers to increase longrun productivity and to sharply increase labor force participation among younger people, women, and minority groups. This will offset the projected long-range slowdown in the rate of increase in the labor force due to declining birth rates, which might otherwise result directly in less economic growth in the future.

The American people expect their Government to look down the road to find out what broad employment opportunities can be created. Now and better jobs, however, are the product of more investment. It has been estimated that it takes $25,000 in new investment to create one new manufacturing job. There is a substantial long-range need for capital investment in the years ahead.

In light of this, I am deeply concerned that overall net domestic investment in the United States, expressed as a percentage of gross national product, is much lower than in any other major industrial country—and this adverse trend has been growing for almost 20 years. The figures for 1970 reveal that Japan has invested almost 3½ times as heavily as we do; in Germany, France, and the Netherlands, the rate is 2½ times greater than ours; in Italy and Sweden it is twice as much; and Canada, the United Kingdom, and Belgium all spend more of their gross national product on domestic investment than the United States does.

The relative lack of new investment has slowed long-term domestic capacity growth in the American economy. The insufficient investment in industrial plant and equipment contributes to the scarcity of supplies, generating long-run inflationary pressures. There are projections that annual capital needs for U.S. business not including construction will increase from approximately $105 billion in 1973, to $233 billion in 1985.

Steel, which is a cornerstone of our economy, is just one example of an industry badly in need of long-term capacity expansion and modernization. It is reported that the capital needs of the steel industry alone will average $3 to $4 billion each year through 1985.

In order to finance the steel mills built since 1966 the steel companies have been forced to increase long-term debt to about 40 percent of stockholders' equity, compared to approximately 30 percent in the earlier year. There are limits to what extent future capacity can be financed by increasing the long-term debt load instead of raising equity capital. But, the present stock market valuation placed on the U.S. Steel Corp. barely equals McDonald's hamburger chain despite the fact that United States Steel's book value is 18 times as great as McDonald's. Even though we are long on hamburgers and short on steel, McDonald's is in a better position to raise equity capital for more hamburger stands than United States Steel is to raise capital for new mills and machinery to build steel plates for construction of petroleum refineries and other basic industrial capacity.

We are likely to have a far more serious steel crunch on the horizon and be forced to increase our reliance on foreign producers for this critical, high technology material.

The Subcommittee on Economic Growth hopes to prevent this from happening to steel or to any of our domestic industries by considering now where funds for future investment are to be raised. Will our savings rates be adequate and our financial markets strong enough to do the job?

Our subcommittee wants to know what magnitude and pattern of capacity growth and capital formation are necessary to meet demand for full employment and full production in the years ahead.

Along with the future problems of insufficient investment in plant and equipment and inadequate capital formation, we should be fully aware of the long-range need for careful managament of our natural resources.

The United States is rapidly joining the rest of the industrialized world in depending on third world countries for its raw materials supply. According to the Department of the Interior, the United States already depends on imports for more than half its supply of 6 of 13 basic raw materials required by an industrial society.

Furthermore, many of these metal supplies are concentrated in only a few countries. There may be numerous attempts to steal a page from the Arabs' book at the expense of industrial nations through the creation of producer cartels. We must not overlook the fact that the sharp rises in prices for petroleum products, foodstuffs, and fertilizer between late 1972 and early 1974 will force the developing countries which are not oil producers to pay over $15 billion more for these essential imports in 1974. Thus the pressure will be very great on these raw materials producing countries to take whatever steps are necessary to substantially increase the price of their ex-

ports to balance off the higher costs of their food and fuel imports.

Our subcommittee will investigate what may become a staggering problem of resource scarcity and will suggest actions the Government should take to insure an adequate supply of raw materials to keep our factories going and prevent unemployment in the coming years.

Another major item to be explored is the long-range need for relative price stability. Lately, inflation has taken a terrible toll on the purchasing power of consumers and the rate of real economic growth.

John Dunlop, the Director of the Cost of Living Council, said recently:

We just don't know how to control inflationtion.

And Arthur Burns adds—

Inflation cannot be halted this year.

Yet the adminstration instinctively reaches for the traditional anti-inflation tools—tight monetary and fiscal policy. They accept the excessive unemployment which those restrictive policies cause as inevitable. But some economists are forecasting a long-term inflation rate in excess of 4½ percent for a considerable time, no matter what combination of fiscal and monetary options is followed.

I believe we should not consent to higher unemployment rates and loss of output as unavoidable. We must find better methods of combating and minimizing the effects of inflation over the long haul than policies which continually choke off growth. What we have been doing to the housing industry every few years with a restrictive monetary policy in an attempt to curb inflation only adds to our long-term shortage of housing, thus increasing inflationary pressures in the long run.

Neither the Congress nor the administration has done enough long-range thinking about improving anti-inflation policies. My new Subcommittee on Economic Growth will be an instrument to fill this need in the Congress. I believe we can offer economic policy options to insure a long-run balance between relative price stability and long-term economic growth.

As a former businessman, my business could not have survived and prospered if I had failed to look ahead at the potential difficulties as well as the opportunities. In my judgment it is the duty of the U.S. Government to do the same.

This Nation can ill afford to count on 11th hour, piecemeal public policy for its problem solving. The possible obstructions to growth should be identified now while there is still time to measure our future needs and to suggest ways to meet those economic needs in the coming years.

The American people have a right to expect those of us in Government to do more than flounder from crisis to crisis. My new subcommittee accepts this obligation to do more in developing policy choices for the Congress and the American public to help overcome the barriers in the future growth of the American economy.

EDWARD SPECTER

Mr. HUGH SCOTT. Mr. President, it is with much sadness that I mark the death of Edward Specter who, for a quarter of a century, devoted his talents to making the Pittsburgh Symphony one of the most renowned orchestras in the Nation.

Nearly 50 years ago, he played an instrumental role in reviving the symphony in Pittsburgh and in keeping it alive during its early years. While serving as its director, Mr. Specter worked tirelessly and unselfishly to raise the funds needed to sustain the orchestra through a troubled financial period. He was credited with keeping the orchestra together and, by his example, inspired others with his dream. A dream which became reality, a dream which has filled the hearts and souls of people throughout the world with fine music.

We are indebted to Mr. Specter for giving so much of himself to the music world. To all of us who for many years will enjoy the lovely sounds of the Pittsburgh Symphony, we will remember how it all started.

Mr. President, I ask unanimous consent that the Pittsburgh Press and the Pittsburgh Post-Gazette accounts of his passing be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

EDWARD SPECTER

No better eulogy could be written for Edward Specter, who died Wednesday at 73, than these phrases from a 1954 Post-Gazette editorial, "Well Done, 'Mr. Symphony' ":

"If anybody in Pittsburgh deserves the title, 'Mr. Symphony,' it is Edward Specter, who soon steps down after a quarter century as manager of the local orchestra. It was he who in 1929 helped conceive the idea of reviving the symphony here. And it has been under his direction that this idea became reality . . . The Pittsburgh Symphony is today and for several years has been outstanding nationally, with every promise of becoming more so. For this, the city's debt to Mr. Specter, who refused to admit of defeat under the heaviest trials, is incalculable."

The strength of the Symphony two decades later is living testimony to the sturdy foundations Mr. Specter laid.

EX-MANAGER OF SYMPHONY DIES AT 72

Edward Specter, who helped organize the Pittsburgh Symphony Orchestra in 1926 and served as it manager for the next 25 years, died yesterday in West Penn Hospital.

Mr. Specter, 72, lived in the Carlton House, downtown.

An attorney as well as a musician, Mr. Specter was credited with keeping the orchestra together in its early years through extensive fund-raising, when the organization was a musical success but experienced hard times financially.

In 1952 Mr. Specter resigned as orchestra manager to become a theatrical producer in New York, where he remained until last year.

Upon his return to Pittsburgh he joined a law firm in the Frick Building, downtown.

Mr. Specter played trumpet with a restaurant orchestra while attending the University where he was graduated with honors in 1923.

He was a member of Pi Lambda Fraternity, Rodef Shalom Temple and the Allegheny Bar Association.

Surviving are his sister, Mrs. Ruth Scholnick of Pittsburgh, and two brothers, Harry of Pittsburgh and H. Herbert of St. Petersburg, Fla.

Services will be at 4 p.m. tomorrow at the H. Samson Inc. Funeral Home, 537 N. Neville Ave., Oakland, where friends will be received one hour prior to services.

Burial will be private.

The family suggests memorial contributions to the Edward Specter Fund for the Pittsburgh Symphony.

KANSAS CITY SHOWS HOW TO DO THE JOB

Mr. SYMINGTON. Mr. President, for more than 30 years Kansas Citians have had the opportunity to advise their elected officials of their needs and participate in the management of their city through a system of neighborhood councils.

Created during World War II in an effort to work on juvenile delinquency and later expanded to cover all city problems, the councils assure a voice for each of the diverse neighborhoods of Kansas City, the third largest U.S. city in terms of area. At the same time, the councils also provide a sounding board where city officials can discuss current and proposed programs, determine areas where services need improvement, and anticipate the impact of their decisions.

An article in the Washington Star-News April 2 cited the Kansas City experience with neighborhood councils as an excellent example of the worthwhile type of citizen participation program proposed for the District of Columbia if Washington voters approve home rule in their May 7 referendum.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star-News, Apr. 2, 1974]

KANSAS CITY SHOWS HOW TO DO THE JOB

(By Corrie M. Anders)

KANSAS CITY, MO.—The large woman rose from her seat in the basement of St. Francis Seraph Church and stared sternly at Mayor Charles B. Wheeler Jr.

"Mr. Mayor," she began, "what can you do about cleaning up around the railroad tracks? There is soybean and corn spilled all over the place The rats are as big as I am. . . ."

She emphasized the stink of the rat infestation with a frown and sat. Even as the mayor was removing his pipe to respond, a man wearing white socks, dirt-covered workshoes and a blue parka rose to complain.

"I don't like to bring troubles to you," he said. "You've got enough, just like this body. But the trash is always picked up in those other neighborhoods, no matter what day it is.

"And down here, we know there are thousands and thousands of rats. I could take you down to the river and shine my headlights and you would see hundreds of rats. Why can't you bait these rats all the time instead of just special projects?"

Mayor Wheeler puffed at his pipe and listened to the charges from the 50 persons present for the meeting—sponsored by the Northeast Industrial District Community Council. The long-dormant council was revived six months ago when the city threatened—and then put off under the council's pressure—to close down the neighborhood's only public institution, an elementary school.

The northeast community is isolated by a scenic bluff and the Missouri River from the heart of the city and its services—much like the Anacostia community in the District. The area is called by its detractors "East Bottom"—literally and figuratively.

It is a community of approximately 500 families—low income working-class, white and Spanish-surnames.

"The best argument you've got," the mayor told the group, "is that services down here should be like anywhere else." He promised to renew the rat-baiting program and said, "Perhaps now is a good time to re-evaluate a decision that's 15 years old and caused all these problems."

Although far from being one of the strongest community councils in the city, the northeast council demonstrated its clout in beating back the city's decision to close the elementary school. And the council recently won a promise from a major grain company to help clean up the area.

There are approximately 140 neighborhood councils in this city of 507,000, which is 22 percent black. They are a variation of the Advisory Neighborhood Council concept that Washington voters wil be asked to approve in the May 7 referendum.

Kansas City has had this form of government decentralizaton since 1943. Its structure offers an excellent historical perspective of the advantages, disadvantages, achievements and operations of advisory councils.

The neighborhood councils range in membership from a dozen to several hundred persons. About half of the councils are formed on geographic lines, while the remainder are based on functional concerns, such as housing or police protection.

Individually and collectively, the councils have won some pitched battles with the city. They carry an enormous political club and city officials listen when they speak.

"They don't always get everything they want," said one city official, "but they don't always lose either."

Kansas City has a mayor, city manager and 12-member city council—six of whom are elected by districts and the remainder at large.

The neighborhood councils have an easy rapport with the city's elected officials and very seldom get into general fights with City Hall, primarily because the concept has been around so long that the two sides understand each other. Any battles usually are fought over a particular issue and once resolved, the antagonism does not linger.

Department heads frequently visit neighborhood council meetings, like the mayor's visit to St. Francis Soraph, and often will attend two or three meetings a night. The city also maintains close contact with its citizens by taking budget hearings into seven or eight neighborhoods.

The neighborhood councils are completely autonomous of the city. They have no staff or funding except for one highly active group which has hired its own housing specialist. Instead, they are served by the city's Community Development Division, a 17-member professional and support staff which, although paid for by the city, maintains its independence from City Hall.

The city has so many neighborhood councils primarily because of its geography and because the "area of interest varies from one end of the city to another," CDD Director James Reefer said in a recent interview.

Kansas City is the third largest U.S. city in terms of land, with 316 square miles. Sprawled across three counties, its north-south boundary stretches farther than from the District to Baltimore and its east-west boundary is about half as long.

The city also has advisory councils in the Model Cities and urban renewal areas. However, these have their own staff and salaries and operate independently of the Community Development Division.

That the advisory council concept has worked so well and for so long stems primarily from the fact that they they were initiated by the city itself and not by demands of the community.

The idea evolved in the war year of 1943 when juvenile delinquency was rampant in the city, with fathers in combat zones and mothers working. The problem was turned over to the city's welfare department.

"We decided it was a neighborhood problem," said L. P. Cookingham, who was city manager at the time. "The police couldn't do anything about it, so we came up with the community council idea"—seeking the help of established groups such as churches and civic associations.

The city quickly realized that juvenile delinquency was only part of a much larger problem—which was a city-wide concern—and decided to broaden citizens' participation.

The first councils were set up around 12 communities, each representing a public high school district. One city staff specialist was assigned to serve each of the 12 councils.

Then smaller neighborhood councils were formed to serve areas around elementary school districts. In those early years, the councils concentrated on civic improvements, such as playgrounds, better transportation, sanitation, street lights and housing code enforcement.

Membership and the power of the councils declined during the placid 1950s and early 1960s. There were only 35 such councils five years ago. They experienced a resurgence during the social upheavals of the late 1960s.

The degree of activity varies from group to group. Some councils have been active since the inception of citizens participation 31 years ago. Others spring up overnight over a particular issue and die just as quickly, as one official added that "once they get their street lights repaired, they just stop meeting."

Almost any group of residents can create a neighborhood council and receive expert help from the CDD. There have been occasions when a rump group has split from a neighborhood council to form its own body.

The CDD has a fiscal 1974 budget off $167,-368—paid for out of general funds. The department provides staff and consulting assistance to the councils on request. The staff gathers information, helps to analyze a particular problem, aids in setting priorities, helps to plan courses of action and mobilize resources.

"We go over their needs and concerns and give factual matter and help provide alternatives," Judy K. Laffon, a CDD supervisor, said. "Our role is one of helping them to be their own advocate."

If there is a fly in the concept's ointment, it is a feeling by a minority of city council members that the CDD is too helpful, and that perhaps its budget is too large.

Although the councils are more advisers to the city and are concerned primarily with their own neighborhoods, there are key issues that can unite them into a formidable band of angered citizens ready for a protracted battle. More often than not, the issues are freeways, correctional facilities and large-scale zoning changes.

In 1971, the city adopted a traffic plan to build a major corridor through the western part of the city, a richly diverse area with a high percentage of senior citizens and youths, high-rise apartments, small single-family homes and mansions.

The area already had five major corridors and the citizens were heatedly opposed to another, which they said would "wipe out their homes" and divide the community. Led by the Westport Community Council, the citizens used mass leafleting, meetings and the media to oppose the freeway.

City council members were called into the community and asked what they thought about the proposals, with the near-certainty they would lose voter support if they admitted favoring the project. The strong lobbyist effort worked and the corridor was removed from a bond issue at the time. Another battle five years ago to build up the South Midtown Freeway still is in the planning stage and the citizens appear to have lost that fight.

THE LONGEVITY RATE IN NEBRASKA

Mr. CURTIS. Mr. President, I am a little tired of people who, upon learning of the longevity rate in Nebraska say, "In Nebraska, you don't really live longer. It just seems longer."

I finally have an answer in the form of a column that appeared in the Chicago Tribune. The item was sent to me by a well-known publisher in the Cornhusker State, Thomas C. Hickey of Lincoln. Tom and I both intend to take advantage of as much Nebraska longevity as we can.

Mr. President, I ask that this column be printed in the RECORD so my colleagues might better understand that we do live longer in Nebraska and that we enjoy it more.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

WHAT'S NEBRASKA'S SECRET?

In Nebraska, it seems, the chances of living a longer life are better than in any other state. The average longevity there is 71.95 years compared with a national average of 71.2.

To get a proper perspective, of course, we must remember that Nebraska's longevity is exceeded in such places as Scandinavia, the Netherlands, Germany, and Canada. But the obvious question still arises: What do the Nebraskans have that the rest of us don't have?

The experts, of course, will give a lot of useless explanations such as homogeneous population, little urban poverty, the rural life, and an invigorating climate [which is a euphemistic way of saying that the temperature may range from 23 below to 123 in the shade, if you can find it]. It is also worth noting that the forbears of today's Nebraskans came primarily from Scandinavia, the Netherlands, Germany, and Canada, which may not be wholly irrelevant.

But we call these explanations useless because they are not things that the rest of us can do very much about. We prefer to think about things we can control, so we shall pass along some information we have gathered about the idiosyncrasies of Nebraskans which may or may not be helpful.

Nebraskans are noted for working hard, especially out of doors. Nebraska has one of the lowest alcoholic consumption rates and divorce rates in the country. It has the simplest state income tax law [13 per cent of your federal tax, period]. It grows much of its own food, so that meddlesome middlemen are less likely to slip artificial coloring, additives, and so forth into it. Nebraskans are as firmly opposed to pornography as anybody in the country. And finally [hold your breath], they have the best record in the country for voting Republican.

We offer no opinion as to which of these are the determining factors. But surely each of us can find something there that suggests he is doing the right thing. And that in itself should give him a certain amount of contentment—which, after all, is probably the most important ingredient of longevity.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the history of the United States begins with a profound human rights document—the Declaration of Independence. Since that time the United States has led the crusade among nations in the field of human right.

In fact, it was our American leadership at the San Francisco Conference in 1945 that resulted in a strong human rights section in the Charter of the United Nations. We recognized then that the denial of human rights and human dignity creates a prime source of potential conflict and a threat to international peace.

And 25 years ago the United States also used its leadership for the drafting of the Genocide Convention. This was the first human rights document to be endorsed by the U.N. General Assembly, and that endorsement was unanimous. Today, the United States and the Union of South Africa are the sole remaining charter members of the U.N. who have still not ratified the treaty.

Mr. President, the cause of human rights and the promotion of international peace are inseparable. It is imperative that the United States regain its leadership in this area. We must again proclaim our support for the principles laid down by Thomas Jefferson almost 200 years ago.

I call upon my colleagues to join with me in support of the ratification of the Genocide Convention.

TRIBUTE TO VICE ADM. JOEL T. BOONE

Mr. CURTIS. Mr. President, it is with deep sorrow that I noted last week the passing of a selfless American, Vice Adm. Joel Thompson Boone, White House physician to three former Presidents.

A veteran of both World Wars, Admiral Boone served as a medical doctor, at one point as fleet medical officer to Adm. William F. Halsey. Admiral Halsey assigned Admiral Boone to the liberation of Allied prisoners of war in Japan.

His years of military service earned him the Congressional Medal of Honor, the Army Distinguished Service Cross, the Silver Star Medal with five Oak Leaf Clusters, and the Purple Heart Medal with two Oak Leaf Clusters.

A native of Pennsylvania, Admiral Boone served as White House physician to Presidents Warren G. Harding, Calvin Coolidge, and Herbert Hoover.

I think we should all pay tribute to a man who gave so much of himself to the service of his country. His record is inspiring in an era when loyalty to country is so often challenged.

I wish to express my personal sympathy to the family of Adm. Joel Boone. I wish much success to the endeavors of the Joel T. Boone Clinic at the Naval Amphibious Base in Little Creek, Va., dedicated in his honor in 1972.

Mr. President, at this time I ask unanimous consent to have printed in the RECORD the memorial tribute to Vice Admiral Boone expressed so eloquently by the Reverend Edward L. R. Elson of the National Presbyterian Church of Washington, D.C.

There being no objection, the tribute was ordered to be printed in the RECORD, as follows:

MEMORIAL TRIBUTE TO VICE ADM. JOEL T. BOONE, (M.C.)—USN RET. BY THE REVEREND EDWARD L. R. ELSON, S.T.D.

Our presence in this Church is our simple memorial of affection and esteem for Joel T. Boone whose life spoke with an eloquence our words or actions will never match.

He lived from the inside out, a discipline acquired from his Quaker boyhood and carried over into his adult years as a Presbyterian. His power came from the soul, his strength from his mind. Outward assurance and a confident demeanor was derived from an ordered mind and a soul at peace. His life was the epitome of selfless service.

The main outline of his life will inspire the coming generations as long as memory endures.

Joel T. Boone was born in St. Clair, Pennsylvania, educated at Mercersburg Academy and Hahnemann Medical College, where he received his Doctor of Medicine degree in 1913. In April 1913 he was commissioned a Lieutenant (Junior Grade) in the Medical Corps of the U.S. Navy and began a career unequaled by any medical officer in the armed services of the U.S., retiring as Vice Admiral on December 1, 1951, to become Medical Director of the Veterans Administration.

In April 1917 the young physician was assigned to the sixth Regiment of Marines at Quantico, with which unit he arrived in France in early October 1917, participating as Battalion, Regimental Surgeon in six major intensive campaigns and emerging as a legendary youth renowned throughout the world for selfless service, gallantry beyond the call of duty, and exceptional medical competency. Even before World War II he was known as the most highly decorated Medical officer in our nation's history. His 24 decorations include our nation's highest—the Congressional Medal of Honor, the Distinguished Service Cross—second highest for valor—six Silver Stars for gallantry—three Purple Hearts for wounds received in action—decorations from Italy, France, Belgium, Haiti, Korea.

On returning from the campaign of World War I he became the Attending Physician at the White House, serving Presidents Harding, Coolidge and Hoover—attending President Harding at his death and the son of President Coolidge at his death. From his White House duties in 1933 he served on the Hospital ship *Relief*, assignments ashore in San Diego and Long Beach and Seattle, until in April 1945 he became Fleet Medical officer on the staff of Admiral William S. Halsey. He represented the Medical Corps at the Japanese surrender ceremonies aboard the *U.S.S. Missouri* September 2, 1945.

By September 1949 he was on duty at the Department of Defense as Chief of Joint Plans and Action Division, Medical Services, Department of Defense.

A Fellow of professional and learned societies, he is also the recipient of honorary degrees and citations which you ought to take time to read and note. Vice Admiral Boone had two great avocations to which he was devoted—Mercersburg Academy and the National Presbyterian Church which he has loved and served for more than 40 years.

At Mercersburg, which had its origin as a Church school, he served as a member of the Board of Regents for 35 years—President of the Board for a decade, President of the General Alumni Association, 1927–41. In appreciation for their distinguished alumnus, one of the principal buildings was dedicated as Boone Hall.

In this congregation for all these years he has been loved and admired for his genuine Christian piety, selfless service and wise statesmanship. He has served numerous terms as a Ruling Elder, six years as a Trustee, of which board he was Vice President. In 1930 the General Assembly elected him to membership on the National Capital Presbyterian Commission, which in 1927 incorporated the National Presbyterian Church and began the process by which the National Presbyterian Church became a reality. Of that distinguished group on the Commission, he is today the sole survivor.

After he left the White House in the 1930s he and Mrs. Boone were my parishioners in LaJolla, and when we were separated in the military service he remained a friend and counselor as he has been here—a total of nearly 40 years. One year before Pearl Harbor when I had resigned my civilian parish in order to exercise the commission I had received as Army Chaplain in 1930 he closed a letter by saying:

"You have entered on a great adventure in the military and have burned your bridges behind you. With the international situation as uncertain as it is and at your age and with the great challenge before you to serve your country as a military entity, I feel that you have done the wise and the right thing in relinquishing your pastorate. We can only act on the future by meeting the present as our conscience dictates, not looking too far ahead, but facing the future with a determined faith".

This was more than sound counsel for me. It was the witness of his own life—a sound faith.

His highest citation came last Tuesday morning when he slipped over into life on the other side, and the King of Kings and Lord of Lords conferred the accolade.

"Well done—good and faithful servant"—Amen.

THE TRUTH ABOUT CURRENT FARM PRICES

Mr. SYMINGTON. Mr. President, last month, at a televised news conference in Houston, Tex., the President of the United States told the American people that "Farmers have never had it so good."

Since then, many Missouri farmers have sent us indignant letters asking where they could get the $14 a bushel for soybeans mentioned by the President. Most of them wrote they had sold their beans last fall for less than half the price reported by the President.

Missouri farmers also wrote they received $2.85 a bushel for corn at harvest time, and asked where they could get the $5 a bushel mentioned by the President; also, where they could sell their wheat for $7 a bushel.

Beef and milk producers write:

If we are doing so well on cattle, why are we getting 25 pecent less per hundred and losing $125 to $200 a head; and why are so many dairy farmers selling their herds for slaughter.

An editorial in the April issue of Today's Farmer magazine reports that the "Highest cash price ever paid for soybeans was $12.27 per bushel on June 5, 1973. And that was not at a country elevator."

The editorial also cites a recent Department of Agriculture study that "shows that farmers had more purchasing power during each of the years from 1942 through 1948 than they had in 1973."

Inflation, which is eroding the purchasing power of all Americans, has been particularly severe on the people of agriculture. As examples, the price of barb wire has increased 60 percent, that of gasoline 50 percent since December, the cost of fertilizer has doubled since October, and in some areas the price of propane has increased as much as 500 percent since last summer.

I ask unanimous consent that this editorial from Today's Farmer be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FARMERS HAVE HAD IT BETTER

"Farmers have never had it so good," President Nixon declared last month in Houston, Tex. Millions of tv viewers, no doubt, believed that the President knew what he was talking about.

But not the cattle feeders who've been selling steers at an out-of-pocket loss of $100 or more per head.

And not the milk producers who are being squeezed out of dairying by subsidized imports of dry milk and cheese.

Not even the soybean producers—of whom not one has ever marketed beans for processing at the price of "$14 per bushel" mentioned by Mr. Nixon. (Highest cash price ever paid for soybeans was $12.27 per bushel on June 5, 1973. And that was not at a country elevator.)

True, farm prices have risen. And net farm income last year hit an all-time record high—in terms of dollars. The average farmer has handled more dollars during the last winter than ever before. But they were cheap dollars.

What about purchasing power? That's the true measure of how well farmers are doing. It's revealed in a USDA study—which, for some reason or other, does not seem to get much attention.

Purchasing power of dollars earned from farming last year was greater than in the recent years preceding. But it was no record-breaker.

In fact, the USDA study shows that farmers had more purchasing power during each of the years from 1942 through 1948 than they had in 1973. And with present price trends, that's sure to be true for 1974.

So let's keep the record straight. True, farmers have had it worse. But they've also had it better. With inflation, cheap dollars and climbing costs, farmers still have problems—serious problems of survival. And those problems will not go away, just because the President of the United States says that all is well.

NEBRASKA REPUBLICAN FOUNDERS' DAY

Mr. CURTIS. Mr. President, a former Member of this body, Mr. Fred A. Seaton of Hastings, Nebr., died on the 16th day of January 1974. He was one of Nebraska's leading citizens and he had a long record in public service.

At the Annual Nebraska Republican Founders' Day held in Lincoln, Nebr. On April 6, 1974. The Honorable Val Peterson, distinguished former Governor of Nebraska and former Ambassador to Denmark and Finland, paid a much deserved tribute to Mr. Seaton. I ask unanimous consent that Governor Peterson's remarks be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

TRIBUTE BY VAL PETERSON TO FREDERICK ANDREW SEATON, NEBRASKA REPUBLICAN FOUNDERS' DAY

Born in the District of Columbia, raised in Kansas, Fred Seaton adopted Nebraska in the days of depression, drought and dust and over the years became cherished by Nebraska as one of her very own.

Fred was above all a top flight newspaperman. He loved good writing and speech. Fractured English caused him to shudder. He saluted the reporter who dug out the facts, presented them in orderly and concise manner and with objectivity. He knew that a democracy cannot survive without a vigorous, a fair and free press. Newsmen who slanted, twisted, sensationalized and distorted the news had his contempt.

Seaton was a politician's politician. He had a sharp sense of political strategy and many went to him for political advice. He was confidant and friend to two Presidents of the United States, Dwight Eisenhower and Richard Nixon, as well as secretary to a great Kansan, Governor Alfred Landon, who in 1936 faced the invincible FDR.

Fred Seaton held many responsible positions in government. He served as State senator, U.S. Senator, Assistant Secretary of Defense and deputy assistant to the President. As Secretary of Interior he had responsibilities throughout the mainland, the Caribbean and the Pacific. He, too, represented the President on several foreign assignments. Secretary of Interior was his highest title, but the job he cherished above all, was as a member of President Eisenhower's staff. The White House, he felt was here the action and power are found.

Fred Seaton was scrupulously honest in business, government and intellectually and no one who accepted his counsel became involved in slippery, shoddy or shady activities. His brand of honesty was and is absolutely essential in government. Thank God it is more widely present in government than many believe.

Fred knew that the political party is the best device yet found to permit the people to express their wishes in governmental matters—the selection of leaders and the formulation of policies. He respected our political system and the men who served in it while always ready to join in efforts to improve the system and the practitioners.

Fred, whose life was much too brief, was highly active in the Republican Party for forty-two years. It is fitting that at this Republican founders' day gathering we remember his valued services to this organization and his many contributions to our State and Nation.

GENERAL EDUCATION PROVISIONS ACT

Mr. BENTSEN. Mr. President, I was particularly pleased to see the conference report on H.R. 12253 approved on Thursday, for it contains the essence of two bills I introduced last year and this year.

On September 24 of last year, I introduced a bill to eliminate the "needs test" in the guaranteed student loan program for college students from families earning less than $15,000 a year. The so-called needs test, unwisely included in the Education Amendments of 1972, required students applying for guaranteed loans to make a complete disclosure of their family assets to receive a guaranteed loan.

Distortions immediately developed, and the number of student loans fell dramatically. This was largely because a "means test" can be deceptive; it can be blind to whether a family holds liquid or nonliquid assets, family need in a restrictive and arbitrary way, cutting students out of the program who had been in before.

Mr. President, I believe we must give the poor a priority in student aid programs, but we cannot overlook those of moderate income, who are victims of inflation and of the severe rise in college costs. Too often in our aid programs we neglect to the moderate income American, who has been heavily burdened by State and local taxation and rising prices. These neglected Americans become more resentful and direct their resentment against the poor and the Government. What I am suggesting is that there must be a more equitable sharing of costs and benefits in these programs, while maintaining our concern for the poor.

The provision in the conference bill eliminates the "needs test" for loans up to $2,000 in families with $15,000 in income. That is a very significant step, and I applaud the Conferees for their action.

The second part of H.R. 12253 contains the thrust of S. 2907, which I introduced in January of this year. It allows local school districts to carry over unexpected education funds from this fiscal year and fiscal 1973 into the following fiscal year.

If we are to give our local school administrators some degree of confidence that they can expend Federal funds wisely, this provision is essential. We recently had substantial fiscal 1973 education funds released, which had formerly been impounded. In addition, school districts have not expended all of their fiscal 1974 funds. This provision, allowing them to carry over these funds until next year, assures that these funds will not be spent in a hasty and careless manner.

I believe we must work beyond this provision to assure forward funding of education programs so that our school administrators can engage in effective, long-range planning. For too long they have lived with uncertainty, not knowing the thrust or the amount of Federal funds they can expect. It is time that we remedy this situation and introduce a degree of certainty into our Federal education programs.

I commend the conferees for this bill, and I urge the President to act swiftly to sign it into law.

EXIMBANK SOVIET LOAN POLICY

Mr. SCHWEIKER. Mr. President, I ask unanimous consent to have printed in the RECORD the text of the statement I made before the Subcommittee on International Finance of the Committee on Banking, Housing and Urban Affairs, together with attachments.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXIMBANK SOVIET LOAN POLICY

I appreciate the opportunity to testify today before the Subcommittee on International Finance of the Banking, Housing and

Urban Affairs Committee concerning current lending procedures of the Export-Import Bank. My testimony will deal with five basic areas: (1) requirements of existing law; (2) elements of U.S. national interest; (3) impact of compliance with existing law; (4) roles of Congress and Executive; and (5) recommendations for action.

1. *Requirements of Existing Law.* Section 2(b)(2) of the Export-Import Bank of 1945, as amended, 12 U.S.C. 635(b)(2), provides:

"The Bank in the exercise of its functions shall not guarantee, insure, or extend credit, or participate in any extension of credit—

"(A) in connection with the purchase or lease of any product by a Communist country (as defined in section 2370(f) of Title 22), or agency or national thereof, or

"(B) in connection with the purchase or lease of any product by any other foreign country, or agency, or national thereof, if the product to be purchased or leased by such other country, agency, or national is, to the knowledge of the Bank, principally for use in, or sale or lease to, a Communist country (as so defined),

"except that the prohibitions contained in this paragraph shall not apply in the case of any transaction which the President determines would be in the national interest if he reports that determination to the Senate and House of Representatives within thirty days after making the same."

As you know, on January 31, 1974, I requested the Comptroller General of the United States to determine whether this provision required an individual Presidential determination of national interest, submitted to Congress, for each Eximbank transaction with a Communist country. The Comptroller General, in ruling B–178205 dated March 8, 1974, agreed with my contention that such individual Presidential determinations, for each transaction, were required. On March 11, the Bank suspended all loan transaction with Communist countries, until March 22, when it resumed such transactions in accordance with its prior practice. The basis of resumption was an opinion of the Attorney General, dated March 21, 1974, to the effect that the prior practice of issuing blanket Presidential determinations, for each country, was consistent with existing law.

I know Comptroller General Staats has ably defended the merits of his ruling before this Subcommittee, and I have included his full opinion as an exhibit to this testimony. I fully support the Comptroller General's position, and, without dwelling at length on the legal arguments, I would simply like to respond to what seems to be the central thrust of the Attorney General's opinion, i.e., that blanket Presidential national interest determinations, by country, are legal, despite explicit statutory language to the contrary, simply because Congress never objected to the practice.

Mr. Chairman, there is no such principle of law. An act which is illegal the first time is also illegal the second time and the tenth time and so on, unless the law is changed. According to the Attorney General's reasoning, a transaction could apparently be 100% illegal the first time, but only 80% illegal the second time, and maybe 50% illegal the fifth time, until finally, by magic, it becomes 100% legal. And this magic transformation, implies the Attorney General, occurs solely because Congress—which has no Constitutional law enforcement authority—failed to act to enforce the law.

I submit that this new principle of statutory interpretation—the notion that Congressional failure to enforce a specific legal provision can reverse the meaning of that provision—has far-reaching and serious implications, implications that challenge the historic legislative role of Congress. Even if we accept, for purposes of argument, the questionable legal theory of ratifications by inaction, the legislative history of the Export-Import Bank Act does not support the conclusion that Congress, by inaction, has accepted the blanket country-by-country determination of national interest. To the contrary, debate clearly indicates the insistence of Congress that ". . . if, for example, there are 20 such determinations, the President will report 20 different times." (109 Cong. Rec. 25416–17).

In summary, Mr. Chairman, I believe the current law clearly requires an individual Presidential determination of national interest, for each Eximbank transaction with a Communist country. In the latter part of my testimony I will suggest appropriate remedies to end the current Bank practices which are contrary to law. But at this point, I would hope my testimony has clearly established that blanket national interest determinations, by country, have *not* been unanimously accepted by a passive Congress. I am opposed to past Eximbank practice, I am opposed to the Bank operating in defiance of the law, and I will continue to seek legislative action to end this practice.

2. *Elements of U.S. National Interest.* Some might wonder, Mr. Chairman, why the Presidential determination of national interest is so important. After all, under existing law, if the President did issue a determination of national interest for each transaction, as required, the Congress would have no veto power, and so Bank business could continue as usual. So this might appear at first glance to be an argument about form, not substance.

Nothing could be more incorrect. The Presidential determination of national interest is virtually the only substantive guarantee which insures that Eximbank transactions with Communist countries are not detrimental to our national interest. I have no general objection to East-West trade of nonstrategic items, which are not in short supply here. I do not oppose selling trucks to Poland or trains to Yugoslavia. But I do oppose the notion that a single Presidential determination can establish, years in advance, that it will be in our national interest to finance not only trucks and trains, but also computer technology and energy exploration in Communist countries.

The Eximbank is intended to assist American industry in competing internationally, particularly against foreign State-subsidized industries. The underlying assumption has been that since this country has unlimited capacity to produce goods for export, exports should be encouraged.

Mr. Chairman, I do not think this historical assumption is valid in 1974, and I would hope these hearings will explore our new situation. Instead of having unlimited export capacity, we now have massive shortages here in this country. Steel, petrochemicals, fertilizer, wheat—these items are only the tip of the iceberg. In these circumstances, the whole concept of Eximbank export subsidies should be reviewed. But while that review is taking place, we should insure that additional exports of scarce items are not subsidized; these scarcities did not exist in 1972, when the President issued his blanket national interest determination, and that determination is clearly invalid today.

I believe the proposed Russian energy investments are particularly contrary to our national interest. On March 24, 1974, the *Philadelphia Inquirer* carried an article by Donald L. Bartlett and James B. Steele entitled "Oil Firms Drilling Abroad—Skip U.S." This article, which I offer as an exhibit to my testimony, describes how major oil companies are pursuing foreign oil exploration, while ". . . the number of rigs drilling for oil in the Gulf of Mexico off Louisiana—the nation's major offshore oil producing region—is the lowest it's been in years and the amount of oil produced there daily is declining." The article discloses that the federal oil reserves under lease from which *no oil* is being produced are currently at a seven-year high. And industry officials explain the reduction in domestic energy production by saying there are not enough oil drilling rigs. *Not enough rigs,* for American energy exploration, Mr. Chairman—and yet the Eximbank is presently considering a $49.5 million application for energy exploration in the Yakutsk area of Eastern Siberia.

After the Yakutsk deal, the next 7% American investment in Soviet energy on the agenda is the $7.6 billion North Star project. Of this total, American capital will account for about $6 billion of the total, with the Eximbank once again taking the lead. Proponents of the North Star investment argue that the Russian natural gas reserves are so vast it does not make sense to pursue energy exploration anywhere else.

But proponents of this deal do not talk much about the security of this Siberian investment—perhaps because in large measure it would be an investment by American taxpayers, with limited corporate exposure. They do not talk about the official Russian efforts to continue the Arab oil embargo after the Arabs had decided to end it. They do not talk about the recent Russian energy price hikes to Finland, or the Russian oil cut-off against West Germany. Indeed, in the brochure describing this deal, under the heading "Security of Supply" the only reassurance is that the energy involved will account for only .6% of total 1980 U.S. energy requirements.

There is no response to the recent *Washington Post* editorial entitled "Moscow's Hand on the Pump," which reads in part as follows:

"The Soviet Union has made a good thing in the past about being a fair and reliable trading partner. This reputation has served it well, the Economist recently noted, in inducing West Europeans to deliver large quantities of steel pipe and other equipment, against promises to be paid in future oil or gas. Yet in the Finnish case, the Russians jacked their prices through the roof. With Germany, they simply stopped delivering for a while and then resumed the flow but, again, at much higher prices. In brief, neither on the supply front nor the price front have they treated their traditional customers well—customers with whom they have no outstanding political differences, moreover. If the Russians began to run short of energy themselves, as many foreign experts expect they will, would they fulfill their contracts for export sales? These are matters which must be taken into account in the United States' own deliberations on the advisability of making large long-range investments in Soviet gas and oil."

There is no response to the New York Times editorial of March 14, 1974, which states:

"Strongly championed by Secretary of State Kissinger, the Siberian natural gas projects have become a symbol of the Administration's policy of détente. But the genuineness of the Soviet interest in détente has been cast increasingly in doubt by Moscow's attitudes in Europe and the Middle East. However valuable a mood of reduced tensions between the two superpowers, political atmosphere is not something to be bought by economic transactions that cannot be justified on their own merits. The Siberian natural gas development has yet to pass this test."

Until we have answers to those questions, Mr. Chairman, and ironclad assurances of security, the national interests of the United States will not be served by Eximbank subsidy of Siberian energy development.

3. *Impact of Compliance With Existing Law.* In view of these clear questions of national interest, I am frankly at a loss to understand why the Eximbank so stubbornly resists compliance with existing law. It is useful, therefore, to consider exactly what such compliance would entail.

At present, every thirty days the Exim-

bank submits to the appropriate Committees of Congress a list of all of its transactions with Communist countries. This list is normally a simple one-page document. To comply with existing law, the Bank would simply be required to forward this same list to Congress by way of the White House, where the President would certify that the listed transactions are in the national interest. There would be no delay, no Congressional veto power, no bureaucratic nightmare.

But there would be one vital new element. If the law were followed in this fashion, the Congress—and the American people—would have the benefit of the President's personal certification that the listed transactions are transactions deserving of U.S. Government support. Why does the Eximbank resist this? Why does the President not do this voluntarily, without additional legislation? I do not know the answers to these questions, Mr. Chairman, but I do know we are now living with the shortages and high prices resulting from the Russian wheat deal, and I submit we no longer can afford the luxury of lax practices which could lead to a Russian energy deal.

The Eximbank is intended to encourage exports. The bankers there—quite properly—are advocates of expanded American exports, in all areas. To permit these advocates to determine our national interest is about like letting the District Attorney be the final judge of guilt or innocence, and that simply does not make sense to me.

4. *Roles of Congress and Executive.* Recent Eximbank transactions do not make sense to my constituents either. At the height of the Arab oil embargo, for example, the Eximbank loaned $100 million, at 6% interest, to five of the Arab countries embargoing us. The purpose? To finance the Su-Med pipeline, to ship Mideast oil to Western Europe, *not* to the United States—with big profits for the Arab countries embargoing us. Apparently the Eximbank notion of national interest is American imperialism in reverse: instead of flexing our economic muscle overseas, we now reward those nations which nationalize our industries and cut off our energy, with $100 million loans at 6% interest. The Eximbank concedes that Egypt has defaulted on prior loans, but now says the Su-Med loan had been "approved" but not "closed," pending negotiation of satisfactory security to insure repayment by Egypt.

Mr. Chairman, this is outrageous. The hard-pressed taxpayers in my State do not want to be left with some technical legal right to foreclose a pipeline mortgage in the Egyptian desert. The argument was if we didn't finance the Su-Med pipeline the Russians would, and yet now the Eximbank claims the Russians lack sufficient hard currency to finance their own pipeline. I'm tired of hearing we must do this deal or that deal against our national interest, because if we don't, the Russians will. My constituents don't accept that reasoning, and I don't accept it, and I can tell you today that the American people would not finance that Su-Med pipeline if the Eximbank had consulted them.

Mr. Chairman, I could go on but I think the point has been made. I think the American people know it's against our national interest to subsidize these deals, and I think a majority of Congressmen and Senators know it. The question is, what are we going to do about it?

The answer to that should be clear. The Comptroller General is the lawyer for Congress, and his ruling was totally unambiguous. Yet his ruling is presently being ignored by the Executive Branch. I can understand why the polls show public respect for Congress at an all-time low. I can understand why we hear about the lazy, indecisive, inept Congress. If the Congress of the United States is willing to sit back and let the Eximbank resume business as usual, in open defiance of the law and the Comptroller General, then I submit this criticism is justified, this disrespect is deserved.

The underlying issue is not how we structure our international trade policy, although that is important. The underlying issue is whether the Congress of the United States has the courage and the will to make an Executive Branch agency obey the law, and that is the issue which will make—or break—the reputation of Congress with the American people.

5. *Recommendations for Action.* I have introduced two proposals to deal with this situation. First, S. 3229, the Soviet Energy Investment Prohibition Act, would absolutely prohibit any U.S. Government-supported investment in energy exploration or production in the Soviet Union. Senators Ribicoff, Dominick and Scott of Virginia have joined in cosponsoring this measure, and I would hope this Subcommittee would consider adding my bill as an amendment to the basic Export-Import Bank authority.

Second, I have advised my colleagues on the Appropriations Committee of my intention to introduce, in Committee, an amendment to the Second Supplemental Appropriations bill which will prohibit the Eximbank from obligating or expending any funds, for program or administrative expenses, until the Bank complies with the Comptroller General's ruling with regard to Section 2(b)(2) loans. I intend to push for action on this measure, to insure that existing law is complied with while your Committee's consideration of the basic Bank authority continues.

Finally, I submit for the consideration of your Committee an amendment which I have prepared, which would insure that in the future, the vital national interest determination will not be delegated to anonymous officials at the Eximbank. I think this amendment will guarantee that the President personally makes the national interest determination, and I would urge you to add this provision to the basic Bank authority.

JANUARY 31, 1974.

Hon. ELMER B. STAATS,
U.S. Comptroller General, General Accounting Office, General Accounting Office Building, Washington, D.C.

DEAR COMPTROLLER GENERAL STATTS: I have been informed that the Export-Import Bank is presently considering an application by the Soviet Union for a $49.5 million direct loan to be invested in an energy development project in the Yakutsk area in Eastern Siberia. In addition, the Soviet Union is expected to seek additional Export-Import Bank credits to finance the $7.6 billion North Star energy development project in Western Siberia.

It is my understanding that the Export-Import Bank Act of 1945, as amended, provides that the Bank ". . . shall not guarantee, insure or extend credit . . . in connection with the purchase or lease of any product by a Communist country . . . except . . . in the case of *any transaction* which the President determines would be in the national interest *if* he reports that determination to the Senate and House of Representatives within thirty days after making the same [emphasis added].

It is my further understanding that President Nixon, by Presidential determination dated October 18, 1972, has declared it to be in the national interest for the Export-Import Bank to extend credit to the Soviet Union. Subsequent to such Presidential determination, the Export-Import Bank has extended credits to the Soviet Union in numerous transactions, and has reported such transactions to Congress every 30 days, but no separate Presidential determination of national interest has been issued by the President in connecion with any of such transactions.

I would appreciate having your investigation and conclusions in response to the following questions:

(1) In view of the restrictions contained in the Export-Import Bank Act of 1945, as amended, has the Export-Import Bank acted in compliance with applicable law in extending credit to the Soviet Union in the absence of individual Presidential determinations, submitted to Congress, to the effect that each such transaction is in the national interest?

(2) Regardless of the legality of prior loans, in view of the present American energy crisis, can the Export-Import Bank legally extend credit to the Soviet Union for the pending Yakutsk energy development project in the absence of the specific Presidential determination, submitted to Congress, that such transaction is in the national interest?

(3) What is the total amount of Export-Import Bank funds presently outstanding in loans, guarantees or insurance to the Soviet Union, and what is the total amount of federal funds presently committed to energy research and development in the United States?

In view of the pendency of the Soviet credit application with the Export-Import Bank, I would appreciate your response at the *earliest possible date.*

Thank you very much.

Sincerely,

RICHARD S. SCHWEIKER,
U.S. Senate.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., March 8, 1974.

Hon. RICHARD S. SCHWEIKER,
U.S. Senate.

DEAR SENATOR SCHWEIKER: Your letter of January 31, 1974, raises several questions concerning the participation of the Export-Import Bank (Eximbank) in transactions involving the Soviet Union. These questions arise primarily in view of section 2(b)(2) of the Export-Import Bank Act of 1945, as amended, which prohibits the Bank from guaranteeing, insuring or extending credits in connection with the purchase or lease of any product by a Communist country except in the case of any transaction which the President determines would be in the national interest and so reports to the Congress.

You state it to be your understanding that on October 18, 1972, President Nixon determined it to be in the national interest for Eximbank to extend credits to the Soviet Union. Subsequent to this Presidential determination, Eximbank has extended credits to the Soviet Union in numerous transactions, and the Bank has reported such transactions to the Congress. However, no separate determination of national interest for each individual transaction has been issued by the President.

You also indicate that Eximbank is presently considering an application by the Soviet Union for a $49.5 million direct loan to be invested in an energy development project in the Yakutsk area of Eastern Siberia, and that the Soviet Union is expected to seek additional Eximbank credits to finance a $7.6 billion North Star Siberia.

In consideration of the foregoing matters, you request our response to the following specific questions:

(1) In view of the restrictions contained in the Export-Import Bank Act of 1945, as amended, has the Bank acted in compliance with applicable law in extending credit to the Soviet Union in the absence of individual Presidential determinations, submitted to Congress, to the effect that each such transaction is in the national interest?

(2) Regardless of the legality of prior loans, in view of the present American energy crisis, can the Eximbank legally extend credit

to the Soviet Union for the pending Yakutsk energy development project in the absence of a specific Presidential determination, submitted to Congress, that such transaction is in the national interest?

(3) What is the total amount of Eximbank funds presently outstanding in loans, guarantees or insurance to the Soviet Union, and what is the total amount of Federal funds presently committed to energy research and development in the United States?

As you indicate, the President made a determination concerning extension of Eximbank credits to the Soviet Union on October 18, 1972. The full text of this determination, as published at 37 F.R. 22573 (October 20, 1972), is as follows:

"THE WHITE HOUSE,
"Washington, October 18, 1972.

"I hereby determine that it is in the national interest for the Export-Import Bank of the United States to guarantee, insure, extend credit and participate in the extension of credit in connection with the purchase or lease of any product or service by, for use in, or for sale or lease to the Union of Soviet Socialist Republics, in accordance with Section 2(b)(2) of the Export-Import Bank Act of 1945, as amended.

"RICHARD NIXON."

This determination was reported to the Congress on the date it was made. See Congressional Record for October 18, 1972, p. 37204 (Executive Communication No. 2432). Obviously this document evidences a determination that it is in the national interest to extend credits to the Soviet Union as a general matter, and without reference to any particular transaction or transactions.

Your first question, as to the validity of such a general determination, requires consideration of the legislative history of section 2(b)(2) of the Export-Import Bank Act and prior appropriation act provisions.

Section 2(b)(2) of the Export-Import Bank Act of 1945, as amended, 12 U.S.C. 635(b)(2), provides, quoting from the United States Code:

"The Bank in the exercise of its functions shall not guarantee, insure, or extend credit, or participate in any extension of credit—

"(A) in connection with the purchase or lease of any product by a Communist country (as defined in section 2370(f) of Title 22), or agency or national thereof, or

"(B) in connection with the purchase or lease of any product by any other foreign country, or agency, or national thereof, if the product to be purchased or leased by such other country, agency, or national is, to the knowledge of the Bank, principally for use in, or sale or lease to, a Communist country (as so defined),

"except that the prohibitions contained in this paragraph shall not apply in the case of any transaction which the President determines would be in the national interest if he reports that determination to the Senate and House of Representatives within thirty days after making the same."

The above-quoted provision was added by section 1(c) of the act approved March 13, 1968, Pub. L. 90-267, 82 Stat. 47, 48. The 1968 act was in this regard based upon a somewhat similar limitation which had been carried in appropriation acts for prior years.

The appropriation act limitation first appeared in the Foreign Aid and Related Agencies Appropriation Act, 1964, approved January 6, 1964, Pub. L. 88-258, 77 Stat. 857, 863, as follows:

"None of the funds made available because of the provisions of this Title shall be used by the Export-Import Bank to either guarantee the payment of any obligation hereafter incurred by any Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961, as amended) or any agency or national thereof, or in any other way to participate in the extension of credit to any such country, agency, or national, in connection with the purchase of any product by such country, agency, or national, except when the President determines that such guarantees would be in the national interest and reports each such determination to the House of Representatives and the Senate within 80 days after such determination."

The same language was included in the appropriation acts for 1965 (78 Stat. 1022), 1966 (79 Stat. 1008), 1967 (80 Stat. 1024-25), and 1968 (81 Stat. 943).

The appropriation act limitation, as originally enacted in 1964, represented a compromise between proponents of a flat prohibition against Eximbank participation in any transactions involving Communist countries, led by Senator Mundt and Representative Findley, and those members who insisted upon according discretion to the President. However, the legislative history indicates that this languague was intended to require a specific Presidential determination for each transaction to be exempted from the prohibition. Thus Senator Mundt commented as follows in a statement appearing at 109 Cong. Rec. 25619:

"* * * The compromise language which we finally developed in the conference report and which has been adopted by the House is a significant and important policy recommendation by Congress and a firm expressional intent. It contains the same specific prohibition against extension and guarantees of credit to the Communist nations contained in S. 2310 but it provides an escape clause to be used by the President of the United States only—and I repeat only—when he himself finds in the case of each proposed credit transaction that he believes it to be in the national interest * * *.

* * * * *

"I am confident there are many in Congress and throughout the country—and I include myself among them—who will want to scrutinize each such transaction most intently and carefully if it should actually eventuate and be authorized. * * *

"Thus, I am well satisfied with the policy declaration and the specific prohibition in this matter contained in the conference report and by the work accomplished by the House-Senate conference committee in writing into this foreign aid appropriations bill a prohibition which can be voided only by specific Presidential action to be publicly reported in each case within 30 days to both Houses of Congress."

The same intent seems to be manifested during House consideration of the conference report. Mr. Passman observed:

"* * * The so-called Mundt amendment which was agreed to by the conferees requires two things specifically: The President must determine that financing such assistance by the Export-Import Bank is necessary, and the President must report each such determination * * *.

* * * * *

"* * * If, for example, there are 20 such determinations, the President will report 20 different times * * *." 109 Cong. Rec. 25416-17.

In response to an observation that the President had already in effect determined that sales of wheat and other agricultural products to the Soviet Union were in the national interest, Mr. Rhodes stated:

"Of course, the gentleman realizes that a new determination has to be made with each transaction under the terms of this amendment?" *Id.* at 25418.

As noted previously, the present statutory provision was enacted in 1968 by Public Law 90-267. The report on the 1968 legislation by the Senate Committee on Banking and Currency noted the similar provision contained in prior appropriation acts, but pointed out:

"* * * the committee provision goes beyond the existing provision in two respects. First, as indicated, *it would require a determination of national interest by the President in the case of indirect as well as direct transactions* with Communist countries. Second, the provision becomes a part of the Bank's statutory charter and does not need to be adopted each year by the Congress as in the case with the appropriation act." S. Rept. No. 493, 90th Cong., 1st sess., 4. (Italics supplied.)

The conference report commented with reference to the provision enacted:

"The Bank is also prohibited from participating in credit transactions in connection with the purchase or lease of any product by a Communist country * * * *except after a Presidential determination communicated to Congress within 30 days after it is made, that the transaction would be in the national interest.*" H. Rept. No. 1103, 90th Cong., 2d sess., 4. (Italics supplied.)

* * * * *

Finally, in explaining the conference version of the 1968 legislation, Senator Muskie reiterated that section 2(b)(2) was patterned after the similar limitation which had been carried in appropriation acts. 114 Cong. Rec. 3836.

Thus the language of section 2(b)(2) of the present act, together with its legislative history, clearly requires a separate determination for each transaction. Your first two questions are therefore answered in the negative.

With reference to your third question, the materials enclosed herewith indicate the present status and extent of Eximbank participation in transactions involving the Soviet Union. Finally, a report to the President dated December 1, 1973, from the Chairman of the Atomic Energy Commission indicated the following obligations for Federal energy research and development for fiscal years 1973 and 1974:

[In millions of dollars]

Program element:	Actual 1973	Planned 1974
Conserve energy	52.8	62.3
Increase domestic production of oil and gas	20.0	19.5
Substitute coal for oil and gas	88.0	167.2
Validate nuclear option	395.8	517.3
Exploit renewable energy sources	82.8	123.0
Total	640.2	889.3

We have not audited or verified the above data. The President's fiscal year 1975 budget contains $1.5 billion for direct energy research and development.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

[From the Philadelphia Inquirer, Mar. 24, 1974]

OIL FIRMS DRILLING ABROAD—SKIP UNITED STATES

An American oil company drills for yet more oil in the Arab sheikdom of Dubai.

Two other American oil firms explore the possibility of developing the Soviet Union's vast oil deposits.

And still another American oil company allocates a greater percentage of its exploration budget this year than last year to searching for oil in foreign countries.

At the same time, the number of rigs drilling for oil in the Gulf of Mexico off Louisiana—the nation's major off-shore oil producing region—is the lowest it's been in years and the amount of oil produced there daily is declining.

In short, despite talk in Washington about the importance of being self-sufficient in energy, the oil industry is continuing many of the practices that led originally to this country's growing dependence on foreign oil.

Meanwhile, Congress has wrangled for the last six months without coming up with a single piece of legislation to help prevent another oil shortage.

Indeed, the House Ways and Means Committee last week, after studying the foreign-

tax-credit system that many economists agree has encouraged American oil companies to drill abroad rather than at home, failed to recommend any significant changes in the system.

It was as Congress sat immobilized and Americans were being warned repeatedly about overdependence on Arab oil that a subsidiary of Continental Oil Co. announced on Dec. 17 a major oil strike in Arab waters off the Persian Gulf. This was two months after the start of the boycott.

Also in December, Occidental Petroleum Co. announced it had signed a 35-year agreement to explore for oil in Libya, the most militant and politically unstable of the Arab oil producers. Libya was one of only two Arab countries that voted against lifting the oil ban against the United States March 18.

In South Vietnam, an area of almost continuous political or military turmoil for decades, Exxon and Mobil are going forward with oil exploration plans on the Southeast Asian nation's continental shelf.

HOTTEST SPOT

The two American multinationals were among four companies awarded concessions by the Thieu government last summer to search for oil in Vietnamese coastal waters. The companies agreed to pay the south Vietnamese a total of $59 million in return.

Perhaps the hottest spot for American oil companies, but one that holds little hope of meeting America's needs, remains the North Sea.

Mounting oil discoveries there, many by American oil companies, will make the British and Norwegians—both now dependent on imported oil—largely self-sufficient by the early 1980s.

At the same time, if American oil companies continue to drill abroad rather than home, the United States will be importing more than 50 percent of its oil.

Evidence of the industry's unchanged drilling practices is best seen in the Gulf of Mexico off Louisiana.

Statistics on worldwide off-shore drilling operations, published monthly in Offshore magazine, show an average of 40 rigs a month drilling for oil offshore Louisiana during the first three months of this year compared to 52 rigs a year ago, and 55 rigs in that period the year before that.

The decline comes only slightly more than a year after the oil industry leased an additional 800,000 acres from the Federal government for exploration. The industry has leased more than 5 million acres in the last 20 years.

AVERAGE RECORD

But by the end of last year, the amount of acreage under lease on which no oil was being produced stood at a seven-year high, according to statistics of the United States Geological Survey (USGS).

USGS statistics show that 1.2 million acres leased to oil companies were not producing oil or gas at the end of 1973, the highest amount of non-producing acreage since 1966.

With onshore Louisiana production declining by as much as 10 to 15 percent a month from a year ago, additional oil offshore production is needed to make up for the decline.

However, as already noted the number of offshore rigs is declining, and so is production.

From a high of about 980,000 barrels of crude oil daily in 1971, Louisiana off-shore production has now dropped to about 910,000 barrels daily.

"There is still a lot of unexplored acreage out there," said one oil industry materials supplier in Morgan City, La., a major offshore oil industry center, in an interview with an Inquirer reporter.

"But even if you wanted to drill on it, you couldn't because there aren't enough rigs."

SHORTAGE OF RIGS

When asked to explain the drilling decline, an official of the USGS, which oversees drilling and production operations in the Gulf, gave the same explanations.

The reason for the shortage is because many American oil companies have contracted for rigs to drill in the North Sea.

During the first three months of 1974, the number of rigs at work in the North Sea was up 75 percent over the same period a year ago. An average of 35 rigs were drilling for oil each month this year as compared to 20 a month last year at this time.

Even more important, most of the rigs in the North Sea are so-called deepwater rigs—capable of drilling in water depths up to 600 feet.

Morgan City offshore observers said much of the unexplored acreage under lease in the Gulf of Mexico is in water from 200 to 600 feet deep. Such a depth requires deep water drill rigs like those now under contract to American companies in the North Sea.

In contrast, virtually all of the offshore drilling off Louisiana to date has been in water depths of 100 feet or less.

Even with the emphasis on self-sufficiency coming out of Washington, drilling contractors in Morgan City say they have not detected an upturn in drilling activity.

"I don't think it has picked up a bit," said the drilling superintendent of one offshore firm. "I don't know why that is. We've even got a lot of shallow-water rigs idle."

Another drilling contractor said oil companies are still offering more incentives to drill abroad than at home.

"We can only get a well-to-well contract in the Gulf," he said. "We used to get a yearly drilling contract. Now it's only on a well-to-well basis. We can still get a year's contract if we want to send the rig overseas."

Ironically, Foreign Drilling Contractors apparently are thinking about drilling in the Gulf.

Norwegian drilling contractors recently sent a letter to the International Association of Drilling Contractors (IADC) in Dallas, seeking information about U.S. taxes and U.S. restrictions on the use of foreign labor.

An IADC official said several Norwegian drilling companies are interested in drilling in the Gulf of Mexico or other sections of the American continental shelf that might be opened for oil exploration.

The spokesman said the request was forwarded to Federal officials in Washington.

[From the Washington Post Editorial. Mar. 29, 1974]

MOSCOW'S HAND ON THE PUMP

A sobering comment on Moscow's reliability as a supplier of natural gas and oil is contained in recent accounts of its dealings with two veteran customers in Western Europe. Finland, for one, found that the Russians raised their price last fall to the level of the world price set by the oil cartel. This added at least half a billion dollars to Finland's annual energy bill. But the price of the goods which the Finns sell to Russia remained the same. So great was the shock that the socialist premier of Finland was led to compare the additional burden, five per cent of GNP, to the postwar reparations which Moscow imposed on the Finns—about two per cent of GNP. By their particular political dependence on the Soviet Union, the Finns are locked into this one-sided arrangement, which illustrates all too well the economic aspect of "Finlandization."

In respect to West Germany, the Russians evidently realized during the oil panic last fall that they could get a higher price by exporting elsewhere. So they slowed and then stopped delivering crude oil, though a contract had been in force for more than 15 years. They had contracted to deliver 3.4 million tons of crude in 1973; actual deliveries were 2.86 million tons. Exploiting Germany's temporary duress, the Russians pushed their price to $18 a barrel. Veba, the German oil buying agency, then suspended its contract with the Russians. It was put back into effect, at new higher prices, only a few days ago.

Meanwhile, Moscow Radio has just felt compelled to deny an Iranian newspaper's report that the Soviet Union is buying natural gas cheap from Iran and selling it dear in the West. Even if the Kremlin wanted to perpetrate such an uncomradely deed, Moscow Radio says, it couldn't because there is no pipeline. But there is a pipeline—a fact which has to be set against Moscow Radio's denial.

The Soviet Union has made a good thing in the past about being a fair and reliable trading partner. This reputation has served it well, the Economist recently noted, in inducing West Europeans to deliver large quantities of steel pipe and other equipment, against promises to be paid in future oil or gas. Yet in the Finnish case, the Russians jacked their prices through the roof. With Germany, they simply stopped delivering for a while and then resumed the flow but, again, at much higher prices. In brief, neither on the supply front nor the price front have they treated their traditional customers well—customers with whom they have no outstanding political differences, moreover. If the Russians began to run short of energy themselves, as many foreign experts expect they will, would they fulfill their contracts for export sales? These are matters which must be taken into account in the United States' own deliberations on the advisability of making large long-range investments in Soviet gas and oil.

[From the New York Times editorial, Mar. 14, 1974]

SIBERIAN GAS

The Administration's dubious proposal to channel billions of American investment dollars into developing the Soviet Union's Siberian natural gas fields has run into a well-timed legal barrier. On political and strategic grounds, beyond the technical point of law involved, the Congress would do well to grasp this unexpected opportunity to subject the Siberian venture to harder scrutiny.

Acting on a request by Senator Schweiker, Republican of Pennsylvania, the General Accounting Office has barred the Export-Import Bank from extending credits for the first part of the project pending a legally required statement from the White House that the project would be considered in the "national interest." Without an initial credit of $49.5 million, the ambitious Yakutsk exploration plan would probably die aborning.

The notion of a vast Soviet-American joint venture in the energy field had a certain superficial attraction when it was first broached two years ago, both as a tangible expression of an emerging détente and as a possible means of opening promising new energy sources.

Even then there were skeptics, including this newspaper, who questioned the plan's justification on both technological and commerical grounds, to say nothing of the security implications. With the passage of time, those doubts have become stronger than ever.

Vast new supplies of natural gas could admittedly provide an alternative to petroleum now imported from the Middle East, but this would simply be trading one politically unreliable source of energy for another equally vulnerable to the policy evolution of a foreign government. It is hard to see the "national interest" in pumping an eventual $6 billion, or much more, into developing Soviet energy sources when the investment could be well or better applied inside this country.

Strongly championed by Secretary of State Kissinger, the Siberian natural gas projects have become a symbol of the Administration's policy of détente. But the genuineness of the Soviet interest in détente has been cast in-

creasingly in doubt by Moscow's attitudes in Europe and the Middle East. However valuable a mood of reduced tensions between the two superpowers, political atmosphere is not something to be bought by economic transactions that cannot be justified on their own merits. The Siberian natural gas development has yet to pass this test.

S. 3229

A bill to prohibit Soviet energy investments

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, section 1 of this Act may be cited as the "Soviet Energy Investment Prohibition Act".

SEC. 2. No department, agency, or instrumentality of the United States Government may directly or indirectly provide assistance to finance or otherwise promote the export of any commodity, product, or service from the United States if the intended use of such commodity, product, or service involves energy research and development or energy exploration in the Union of Soviet Socialist Republics.

AMENDMENT BY SENATOR RICHARD S. SCHWEIKER TO THE SECOND SUPPLEMENTAL APPROPRIATIONS BILL

The following is to be inserted at the appropriate place in the bill:

"Provided, however: That after the date of enactment of this Act, none of the funds available to the Export-Import Bank of the United States and subject to the Limitations on Program Activity and Administrative Expenses contained in title V of Public Law 93-240 shall be available for obligation or expenditure by the Bank until the Bank complies with Section 2(b)(2) of the Export-Import Bank Act of 1945, as amended, 12 U.S.C. 635(b)(2), in accordance with ruling B-178205 of the Comptroller General of the United States, dated March 8, 1974."

S. —

A bill to amend the Export-Import Bank Act of 1945 with respect to the determinations of national interests which are required in connection with certain transactions

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, section 2(b)(2) of the Export-Import Bank Act of 1945 is amended by adding at the end thereof the following new sentence: "A determination made under this paragraph shall be effective only if—

"(i) it is made personally by the President; and

"(ii) it is made with respect to a particular purchase or lease of a product in connection with which the Bank proposes to guarantee, insure, or extend credit, or participate in an extension of credit."

THE FILIBUSTER ON S. 3044

Mr. PACKWOOD. Mr. President, I am fearful that the extended debate on the campaign reform bill currently before the Senate is doing nothing more than further damaging public confidence in the Senate.

To be sure, like many Members of the Senate, I have a number of reservations about specific provisions of S. 3044. I would prefer to see citizens and voters maintain a greater control of where, and to whom, their dollars are to go, and public financing takes that right away from the American voter.

Nevertheless, despite its weaknesses, there is too much good in this bill to keep it bottled up any longer with long-winded, meaningless debate. Whatever the outcome, it is time to make up our minds and vote.

The issues are clearly understood by Members of this body, and I regret to say our constituents are clearly beginning to see through the pointless extension of redundant debate. I have received hundreds of letters urging action on this measure. Oregonians are demanding to know what the delay is. They cannot see the point of endless debate—neither can I.

Well, Mr. President, what is the delay? Views from both sides of the aisle, on both sides of the issue, have been sufficiently aired. The rights of the apparent minority on this matter have been respected, but now it is the will of the majority that is being obstructed.

Today, we are once again witnessing the Senate paralyzed by the archaic rule of the Senate which allows filibustering of legislation.

If campaign finance were the only issue being considered by this body this session, perhaps we could excuse squandering time to revisit every nook and cranny of debate already heard before. But our agenda is crowded. Serious matters are being left undecided while we sit here wasting time in banal debate. We must bring this issue to a vote, now.

We were elected to be decisionmakers—let us exercise our mandate.

RHODE ISLAND GROUP HEALTH ASSOCIATION

Mr. PELL. Mr. President, the Rhode Island Group Health Association was the first health maintenance organization established in the State of Rhode Island. Its history has been typical of that of all pioneering institutions, and I would like to discuss it briefly today, and share its lessons with my colleagues.

My interest in RIGHA began as a result of my belief in the great potential for progress which lay in the reorganization of health care services. It holds my continued interest because, as with new ventures, there are always unanticipated problems, costs, and continually emerging questions about policy and goals, and the way in which RIGHA has met these challenges is, in itself, an exciting and important story.

When RIGHA started operations, the phrase HMO was almost unknown throughout the general community it wished to serve. An enormous, and still continuing educational effort was required to inform people of the options open to them as health care consumers. RIGHA got off to a rocky start, both in the area of marketing and management. It was not until the Prudential Insurance Co. stepped into the picture, almost 1 year ago and lent RIGHA management expertise and start-up money, that this new and untried system began to show its merits as a health care asset. The members of the Rhode Island Group Health Association are participating in an exciting and fruitful project, thanks to the interest and participation of the Prudential and the Rhode Island AFL-CIO.

Mr. Selig Greenberg, the medical reporter for the Providence Journal-Evening Bulletin, has recently begun a broad study of the changing patterns of health care in Rhode Island. The first article was titled "Group Health Care: Rhode Island Seen Leading the Way." Because I believe that the story of RIGHA is important and will be helpful as we move into the establishment of many new HMO's, Mr. President, I ask unanimous consent that an article in the series "Health Care in Transition" by Mr. Selig Greenberg be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RIGHA

The tortuous history of the Rhode Island Group Health Association (RIGHA), the state's first group practice prepayment plan, illustrates graphically both the difficulties and opportunities of this innovative mode of delivering medical services.

It took labor union leadership, which originated the program but has since turned over control to a community-dominated board of directors, several years of planning, scrounging for start-up funds and efforts to overcome the coolness of the medical and hospital establishments before actual operations could get underway in June, 1971, in a newly constructed ambulatory care center on the grounds of the Our Lady of Fatima Unit of St. Joseph's Hospital in North Providence. Most of the plan's full-time salaried physicians had to be imported from outside the state.

Although RIGHA's plans called for an initial enrollment of 6,000 subscribers and the addition of 1,000 monthly for a membership of 13,000 by the end of 1971, it began operations with only 1,200 members and finished its first year with an enrollment of about 7,000. After more than two and a half years, its membership now stands at 13,500.

Since the plan had to start with a full complement of primary physicians and auxiliary personnel, lagging enrollment has resulted in deficit operations. To date, net operating losses amount to $1,050,000.

The pioneering project also has had to struggle with plethora of managerial problems under four executive directors. Some of these problems are reported to have been resolved since the Prudential Insurance Company came to the rescue last April.

Prudential, which is looking ahead to the likely enactment of a national health insurance law and wants to strengthen its position by gaining experience in the group practice prepayment field, has given RIGHA two $50,000 grants and agreed to lend it up to one million dollars, of which $900,000 has so far been borrowed.

Under a five-year management services contract, Prudential also has assigned Kennett L. Simmons, one of its young executives, as the plan's executive director and two of its other employes to help in RIGHA's management.

Aside from the Prudential loan and more than $300,000 borrowed in start-up funds from a number of local and national labor organizations, RIGHA has received nearly $500,000 in federal development grants. It also has been given up to now federal grants of $560,000 for its so-called "troubled employe" program for the early detection and treatment of persons adversely affected by alcohol or some other disruptive condition.

Simmons estimates that RIGHA will reach the breakeven point by next January, when he anticipates an enrollment of about 18,500, the maximum membership that can be accommodated in the plan's present facility.

The feasibility of establishing a second ambulatory care center in another part of the state is now being explored in the hope of obtaining federal aid under recently enacted legislation for such assistance for health maintenance organizations. A requirement in the new law that employers of 25 or more persons must offer their employes the alter-

native of joining group practice plans is expected to help materially in boosting RIGHA's enrollment.

"The biggest barrier to enrollment is the newness of the concept," Simmons said. "Word of mouth is our only weapon. If we can get people into this building and get them adjusted to the group practice concept, they'll discover that our clinic is more attractive than the average hospital clinic or doctor's office. Our location, which is not the most accessible, has been the other major enrollment barrier."

Much of the initial resistance to the novel setting of medical care is reported to have been overcome by now, and polls of the membership have shown a high degree of satisfaction.

State employes, with 2,436 subscribers, make up the largest RIGHA group. Other large groups include 1,451 Providence municipal employes, 1,272 persons enrolled through the United Small Business Associates, 600 federal employes, 590 employes of the Rhode Island Public Transit Authority, 547 employes of Corning Glass Works and 460 employes of New England Telephone Company.

The acid test of prepaid group practice organizations has been their success in reducing the incidence of costly hospitalization by stressing preventive and ambulatory services.

RIGHA estimates that last year it averaged 490 days of hospital care per 1,000 subscribers. This compares with an average of 730.53 days of hospitalization per 1,000 group subscribers of Rhode Island Blue Cross in the latest available 12-month period. In view of the relatively small number of patients involved, it may still be too early to draw any definite conclusions regarding the statistical significance of the RIGHA figures. They nevertheless appear to indicate that the new plan is on the right track.

AMMUNITION SHORTAGE IN VIETNAM

Mr. THURMOND. Mr. President, the Thursday, April 4 issue of the Washington Post included an article entitled, "A Battalion Dies at Kontum."

The writer, Philip A. McCombs of the Washington Post Foreign Service, makes the point that some 200 men and officers in a battalion were killed or lost because of the lack of ammunition.

The South Vietnamese officers in the battalion had been complaining to Mr. McCombs and other reporters that they were under a tight rationing of ammunition and the necessary support was being denied in either Washington or Saigon.

Besides the unit destroyed at Kontum, two other battalions had been recently wiped out in nearby mountains.

Mr. President, as the Senate knows, the administration is requesting additional funds in the Military Assistance Service Funded account for ammunition to aid troops in South Vietnam.

It was not long ago on this floor that those who were pushing hardest for withdrawal of U.S. troops stated we should let the Vietnamese do their own fighting and limit our help to supplies.

Apparently the supplies being provided in a critical item like ammunition is not adequate. The administration has requested additional authority to raise the MASF ceiling but approval of this request by the Congress is very much in doubt.

Mr. President, this country and the free world will suffer if we deny South Vietnam the support necessary to defend itself. Information reaching me indicates the United States is not even able to provide replacement for the South Vietnamese losses on a one-to-one basis as allowed in the cease-fire agreement.

In other words, we have preached to the world that we will help this small nation fight Communist agressors. Yet it appears we may not be fulfilling this pledge. If this is actually the case, then it is a sorry day for America.

Mr. President, I ask unanimous consent that this article by Mr. McCombs of the Washington Post be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A BATTALION DIES AT KONTUM—OFFICERS SAY LACK OF AMMO HAMPERS OPERATIONS

(By Philip A. McCombs)

SAIGON, April 3.—Forward Combat Base No. 5 in the high mountains northeast of Kontum and several nearby positions were overrun by North Vietnamese army troops yesterday, military officials here said.

Reporters had been visiting the base by helicopter for the past several weeks, interviewing government troops there, and viewing a supply road nearby being built by the North Vietnamese army.

According to officials, combat base No. 5 received 700 rounds of artillery fire yesterday and then was overrun at 2 p.m.

Two hundred government troops were killed or listed as missing following the attack, officials said. Their battalion commander, Capt. Nguyen Thanh, was killed.

He had been complaining to the visiting reporters, including me, that both Saigon and U.S. officials had been limiting his supplies of artillery because of the tremendous costs involved.

South Vietnamese troops in embattled Kontum Province have been firing as many as 5,000 artillery rounds a week at $35 a piece—as much as $175,000 weekly.

But the province chief, Mai Xuan Hau, said he needs two to three times as much to do the job. As it is, ammunition is the largest chunk of the continued U.S. military aid to South Vietnam. Of the 200,000 tons of ground ammo supplied by the Americans in the first year of the cease-fire, most was for artillery.

When I visited Capt. Thanh last week, he was visibly nervous because the North Vietnamese had recently wiped out two government battalions in the nearby mountains. The 280th Regional Force Battalion, which Capt. Thanh commanded, makes three. A government battalion has roughly 350 men.

"I've got to stay here 30 days," Thanh said then, "and I've been here a week."

It was not a pleasant place to be. The troops had dug bunkers in the hilltop, but their position seemed truly tiny against the vast sweep of the jungle mountains around it.

There seemed little doubt that the mountains were almost completely controlled by the North Vietnamese despite government efforts. There was a Communist flag tied to a tree about 20 yards down the hill from the bunkers, but nobody dared to venture across those 20 yards to take it down.

I was brought in by helicopter. It took off immediately and circled high while I interviewed Thanh and his soldiers.

When it was time to leave the hilltop, the helicopter returned and Thanh said, "Tell the pilot to take off quick and to stick to the southern side of the hill."

Thanh had repeatedly emphasized that his job was to gather intelligence on North Vietnamese movements on their new road, which could be seen as a thin line winding on the hillsides down in the jungle valley.

When his men saw movement on the road, they were to call in artillery fire. Except for trying occasionally to mine the road, their job was not to fight.

Trying to control an area from essentially static positions with the use of heavy artillery fire is a lesson government forces learned from the French and one that much of the American military influence here reinforced.

It is a tactic designed to save casualties that might be high in face-to-face infantry confrontations, but its disadvantage in the mountains of Kontum, as elsewhere throughout Vietnam during the war, is that it leaves the countryside—and the initiative—to the enemy.

Province chief Hau, reached by telephone today, said, "I was talking with him [Capt. Thanh] during the battle and suddenly I lost contact. Then the radio operator came on and told me that the captain was killed by the shelling." A short time later, all radio contact with Combat Base No. 5 was lost.

Hau said a week ago that during the previous month 300 Soviet-built tanks and trucks moved over the new North Vietnamese military road hacked through the jungle 10 miles north of Kontum City.

He called the movement part of a vast pattern of Communist infiltration since the cease-fire that has brought 50,000 fresh Communist troops into the province to build and guard infiltration routes deeper into the heart of the country.

Government forces have sent battalions of troops into the jungle to cut off the traffic, and these soldiers have relied on artillery fire more than anything else.

"We're constantly ordered to conserve ammunition," complained Hau. "We don't have enough shells. If we had the ammunition, we'd eliminate the communists."

He said he would also like to ask Congress to give B–52 bombers to South Vietnam and train Vietnamese to fly them. "Then all the Communist positions in the mountains around here will be destroyed immediately and easily," he said.

While Col. Hau said the pressure on him to conserve ammunition comes from within the Vietnamese command structure, U.S. officials also exert pressure on the Vietnamese to conserve ammunition.

While this pressure has recently been intensified and is said to have been effective, the figures to back up this claim are classified by the Vietnamese and are not available.

The amount of ammunition supplied South Vietnam depends on what is expended, on the dollar limitations imposed by Congress, and on a complex allocation process that involves sometimes exorbitant requests and, the Americans claim, tightfisted auditing.

Under the terms of the cease-fire, ammunition and equipment can be replaced on a one for one basis. How much the South Vietnamese request each month is not public, but knowledgeable Americans concede that it is often inflated by claims for ammunition that in fact was not fired.

To counter possible abuses, the United States Military Team has staffs of auditors and inspectors whose job it is to insure, by field visits, that the equipment and ammunition is properly used for the purpose for which it was intended.

American officials here say their job is to "restrain" the South Vietnamese in the use of ammunition.

This pressure for restraint is supposed to be exerted at the highest South Vietnamese levels which, in turn, are supposed to put pressure on forces in the field.

Col. Hau was asked if he thought his government had violated the cease-fire by sending battalions to occupy areas not held at the time of the cease-fire.

Article three of the cease-fire agreement says that "the armed forces of the two South Vietnamese parties shall remain in place."

The Colonel said the North Vietnamese didn't control the areas at the time of the cease-fire, either, so that they violated the cease-fire agreement by building their new road.

"In a mountainous area like that, who can claim he controls it?" he said.

FOREIGN ASSISTANCE

Mr. INOUYE. Mr. President, the Senate Appropriations Subcommittee on Foreign Operations contends that foreign assistance of whatever form and from whatever source is closely interrelated and that total resources available to any one country are perhaps the most important yardstick in measuring the level of U.S. assistance to that country.

Last year we pulled together the several components making up the President's proposed program and presented them by country and region in appendix I of our fiscal year 1974 hearing record (page 1333).

These programs are described in agency parlance as being dynamic in nature, meaning that the original illustrative program for which the funds were sought is subject to change—and frequently is—often shifting between countries and fiscal years so as to become virtually unrecognizable.

From time to time, we do request information as to these changes and on March 6, 1974 I inserted into the CONGRESSIONAL RECORD—pages 5579-5581—tables reflecting changes in the military and bilateral assistance programs as of February 2, 1974.

Today I ask unanimous consent to have printed in the RECORD two additional tables:

First. Reflecting proposed economic and military assistance to Cambodia, Laos, and Vietnam as of March 1974.

Second. Reflecting revised Public Law 480 shipping estimates for countries as of March 1974 for those countries receiving supporting assistance.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

PROPOSED FISCAL YEAR 1974 MILITARY AND ECONOMIC PROGRAMS IN CAMBODIA, LAOS, AND VIETNAM
[Amounts in thousands of dollars]

	Fiscal year 1974 proposed	Fiscal year 1974 revised estimate	Change
CAMBODIA			
Total, military and economic	287,648	599,540	+311,892
Military programs	181,430	333,867	+152,437
Military assistance program	173,000	[1] 325,012	+152,012
Military assistance and advisory group administrative and training costs	1,430	1,885	+425
Excess defense articles [2]	7,000	7,000	
Public Law 480 (sec. 104(c))	(24,720)	(136,600)	
Economic programs	106,218	265,673	+159,455
Indochina postwar reconstruction	75,000	95,000	+20,000
International narcotics control		3	+3
Public Law 480, shipments (CCC value) [3]	30,934	170,670	+139,736
Mutual education and cultural exchange	284		−284
LAOS			
Total, military and economic	375,807	168,543	
Military programs	316,700	122,590	[6] −610
Military assistance service funded	[4] 311,200	[5] 117,700	([6])
Military assistance and advisory group administration and training costs	2,500	1,890	−610
Excess defense articles [2]	3,000	3,000	
Economic programs	59,107	45,953	−13,154
Indochina postwar reconstruction	55,000	40,000	−15,000
Population programs	910	600	−310
International narcotics control	1,500	1,546	+46
Public Law 480, Title II	1,505	3,599	+2,094
Mutual education and cultural exchange	192	208	+16
VIETNAM			
Total, military and economic	2,248,026	1,977,370	
Military programs	1,594,600	1,262,300	([6])
Military assistance service funded	[4] 1,559,600	[5] 1,227,300	([6])
Purchase of local currency	(63,600)	(80,000)	
Excess defense articles [2]	35,000	35,000	
Public Law 480 (Sec. 104(c))	(137,360)	(244,000)	
Economic programs	653,426	715,070	+61,644
Indochina postwar reconstruction	475,000	[7] 354,000	−121,000
Selected countries and organizations		110,000	+110,000
Population programs	1,500	560	−940
International narcotics control	182	180	−2
Public Law 480, Shipments (CCC value) [3]	176,420	250,000	+73,580
Mutual education and cultural exchange	324	330	+6

[1] Includes the value of military assistance authorized Dec. 17, 1973, to be furnished under the authority of Sec. 506, FAA, as amended.
[2] Overseas stocks only—domestic excess if funded under MAP.
[3] Reflects the following tonnage estimates for commodities for Cambodia and Vietnam:

	Estimate May 1973	Estimate March 1974	Change
Cambodia:			
Wheat (metric tons)	35,000	25,000	−10,000
Rice (metric tons)	70,000	265,000	+195,000
Cotton (bales)	2,200	2,200	
Cotton yarn (pounds)		3,307,000	+3,307,000
Vegetable oil (metric tons)	500	700	+200
Tobacco (metric tons)	750	750	
Vietnam:			
Wheat (metric tons)	330,000	150,000	−180,000
Corn (metric tons)	100,000	90,000	−10,000
Rice (metric tons)	285,000	310,000	+25,000
Cotton (bales)	73,500	75,000	+1,500
Tobacco (metric tons)	4,900	4,700	−200
Vegetable oil (metric tons)	5,000	5,000	
Nonfat dried milk (metric tons)	15,000		−15,000
Tallow (metric tons)	1,200		−1,200

[4] The fiscal year 1974 program for Laos and Vietnam was based upon requested new obligationa authority (NOA) of $1,559.6 million for Vietnam and $311.2 million for Laos plus an estimated $229.2 million to allow for potential obligation of unobligated balances and for flexibility providing an overall obligational ceiling for both countries of $2.1 billion. This overall obligational ceiling was subsequently reduced to $1,126 million.
[5] These figures shown for Laos and Vietnam do not represent NOA as shown in the table for the proposed fiscal year 1974 programs. At the request of the staff of the Senate Appropriations Subcommittee on Foreign Operations, an estimate has been made of the total obligations which could be reported for Laos and Vietnam during fiscal year 1974 from available resources assuming that the Congress approves the requested increase in the total obligational ceiling to $1.6 billion. In addition to the estimates provided in the table, there is approximately $205 million in the requested increase in the overall ceiling to $1.6 billion to provide for flexibility and reprograming as necessary to meet fiscal year 1974 MASF requirements. No additional appropriations by the Congress for MASF for fiscal year 1974 would be required.
[6] The data presented in the requested estimates for Laos and Vietnam are not statistically comparable with the proposed fiscal year 1974 program; therefore, a net change figure is inappropriate.
[7] Includes $54 million supplemental appropriation request being considered by the Congress.

PUBLIC LAW 480 SHIPPING ESTIMATES—THOUSAND DOLLAR, CCC VALUES, FISCAL YEAR 1974—ORIGINAL ESTIMATE AND AS REVISED

	Fiscal year 1974, thousand dollar CCC						Net difference, original/revised estimates
	Congressional presentation, original estimate			Revised estimate			
	Total	Title I	Title II	Total	Title I	Title II	
Supporting assistance, total	282,758	272,600	10,158	549,915	544,562	5,353	+267,157
Cambodia [1]	30,934	30,900	34	194,189	194,177	12	+163,255
Israel	[2] 58,865	56,800	2,065	39,507	39,416	91	−19,358
Jordan	4,484	3,000	1,484	7,545	6,779	766	+3,061
Laos	1,505		1,505	3,599		3,599	+2,094
Malta	350		350	323		323	−27
Vietnam [1]	176,420	171,700	4,720	304,752	304,190	562	+128,332
Southeast Asia rice reserve	10,200	10,200					[3] −10,200

[1] It should be made clear that the revised figures shown for Vietnam and Cambodia are not "shipping estimates," as the overall title implies, but the maximum available under Department of Agriculture allocations. Although it is possible that the Public Law 480 shipments to Vietnam could go as high as the $304,000,000 shown, this is unlikely. For example, the $304,000,000 includes 300,000 tons of wheat. AID has entered into agreements for 150,000 tons for Vietnam and there is a possibility that as much as 40,000 additional tons will be added. The 110,000 tons in dollar terms is more than $20,000,000. The $304,000,000 also includes a 35,000-ton rice reserve which may, or may not, be committed to Vietnam, also with a value of $20,000,000.
AID uses fiscal year 1974 estimates of $250,000,000 for Vietnam and $170,000,000 for Cambodia on the basis of actual agreements entered into and what we expect to be shipped during fiscal year 1974. Details of these agreements are attached. Not all of the commodities covered under these agreements will be shipped this fiscal year. Carryovers into fiscal year 1975 are anticipated. Hence, as the agreement table shows, AID has signed agreements with Vietnam for $256,000,000, with another $13,000,000 pending, for a potential total of $269,000,000. Last year, $16,000,000 in agreements was not, in fact, shipped. Hence, AID's estimate of roughly $250,000,000 rather than $268,000,000.
[2] Includes Gaza and Jordan, W.B.
[3] Included in Vietnam and Cambodia revised estimate.

CHESTERFIELD SMITH, PRESIDENT, AMERICAN BAR ASSOCIATION, ON THE NATIONAL NO-FAULT BILL

Mr. GOLDWATER. Mr. President, on Thursday a week ago I announced in the Senate my considered view as to why the national no-fault insurance legislation now on the Senate calendar is an invasion of State prerogatives.

My statement was based on my lifelong study and readings, as a layman, of records of the original purposes of the Founding Fathers at the Constitutional Convention of 1787 and at the ratification proceedings that followed in the several State conventions which preceded the establishment of our national charter among the States so ratifying.

The basic theme of my statement was the serious concern I have that S. 354, the national no-fault bill, directly infringes upon the essential concept of federalism which the framers had so carefully implanted in the structure of the new Government they created.

Mr. President, I am pleased to have received today a mailgram by Mr. Chesterfield Smith, president of the American Bar Association, which confirms my personal analysis of the proposed No-Fault Act. Mr. Smith shares my view that S. 354 would improperly preempt the work of State legislators now actively treating the same subject in a field of legislative responsibility traditionally reserved by law and custom to the State level.

Moreover, Mr. Smith warns that S. 354 not only is repugnant to the true spirit of the Constitution, but it very likely is invalid under the Constitution by reason of its totally unprecedented attempt to mandate the administration by State officials of a federally imposed statutory system.

Mr. President, the position of Mr. Smith, both in his capacity as a representative of the American Bar Association and as an expression of his professional opinion of the serious constitutional defects of S. 354, is an important message that deserves a wide reading and the most serious consideration by the Senate. I would remind my colleagues that our branch of Congress was originally established with the view of preserving the integrity and independence of the several States as distinct sovereignties; and it is with this original, underlying purpose in mind, that I urge all Senators to review carefully the points raised by Mr. Smith.

Mr. President, at this time I ask unanimous consent that the telegram of Mr. Chesterfield Smith shall be printed in the RECORD for the information of all Senators.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

APRIL 12, 1974.

DEAR SENATOR GOLDWATER: When you begin consideration this month of S. 354, the National No-Fault Motor Vehicle Insurance Act, I urge your serious consideration of three significant reasons why I believe you should vote against enactment. First, as indicated in my Senate testimony, twenty States recently have enacted reforms and most others are considering such legislation. To enact a Federal law would not only preempt the work of your State legislators, but would also mandate Federal law in an area traditionally and most effectively handled at the State level. Second, the Department of Transportation cost study has been significantly discredited in Senate testimony. In fact, the authors of the DOT study readily admit that economic factors, regional transportation characteristics and effects of the energy crisis were not evaluated. Therefore, it is difficult to accept these cost projections which are based on fragmentary and incomplete data. Finally, I have substantial reservations on the constitutionally of this Federal preemptive law. Specifically, I am concerned with the ability of Congress to mandate the administration by States of a federally imposed statute.

I wish to emphasize the belief of the American Bar Association that the States—not the Federal Government—can best respond to the urgent need for reform of the automobile reparations system. I personally oppose Federal no-fault, without reservation, and I want the States to alleviate existing deficiencies in their automobile reparations systems. For that reason, I personally favored the adoption of no-fault by the Florida Legislature over two years ago and I personally favor similar action by other States suitably modified by local governmental traditions.

CHESTERFIELD SMITH,
President, American Bar Association.

TOWARD A HEALTHIER AMERICA: A PARTNERSHIP BETWEEN THE MEDICAL COMMUNITY AND GOVERNMENT

Mr. RANDOLPH. Mr. President, our able and diligent colleague, the senior Senator from California (Mr. CRANSTON) serves with me on the Veterans' Affairs Committee and the Labor and Public Welfare Committee. In each committee he has been an active participant and contributed substantially to our consideration of legislation on health matters. As chairman of the Subcommittee on Health and Hospitals of the Veterans' Affairs Committee, Senator CRANSTON has authored vital legislation which has vastly improved the Veterans' Administration's ability to provide for the health care needs of veterans.

As a member of the Subcommittee on Health of the Labor and Public Welfare Committee, he has participated in the development of health legislation reported from the subcommittee and authored major laws and amendments. Senator CRANSTON has applied many of the insights he has learned from close association with the VA health care system to legislation in this committee. Additionally, he has taken advantage of his membership on both legislative committees in an endeavor to create a closer coordination between VA hospitals and their surrounding medical communities.

On March 15, Senator CRANSTON addressed the Beverly Hills Medical Society, and set forth his view that this close coordination and sharing of certain resources was essential between VA hospitals and the community. He expressed his positive reaction to a recent California Medical Association offer to conduct CMA staff surveys at each of the Veterans' Administration hospitals in California. He feels that acceptance of such an offer by the VA would lead to closer coordination between the surrounding medical community and the VA and result in their mutual benefit.

The Senator from California (Mr. CRANSTON) also urged the members of the medical community to share their experience and insights as health care providers with their elected representatives, to assure that health care legislation would be workable and would result in improved patient care.

I believe his remarks will be of genuine interest to Senators and I ask unanimous consent, Mr. President, that the text of his speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SENATOR CRANSTON REMARKS TO BEVERLY HILLS MEDICAL ASSOCIATION, MARCH 15, 1974

TOWARD A HEALTHIER AMERICA: A PARTNERSHIP BETWEEN THE MEDICAL COMMUNITY AND GOVERNMENT

Recently, a survey conducted in two Washington, D.C., neighborhoods by the National Academy of Science, indicated that the care provided the children in those neighborhoods was far below what one would expect in a major metropolitan area with an abundance of health resources. These two neighborhoods represented two income levels: One middle to high income; the other middle to low income. In each community, the incidence of poor health among the children was substantially the same. It showed that one fourth of the children had a serious deficiency in one of three medical measures used as the criteria for judging the quality of care provided—hearing, eyesight, and anemia.

This survey points up a great challenge: The need to develop creative legislation and programs to achieve a healthier America. It illustrates that there is indeed a long—far too long—way to go before we can say we have achieved that goal.

In working toward that goal, I think two basic principles must be paramount. First, every citizen must be guaranteed the right to quality health care as rapidly as we can develop that care. There can be no double standards. Second, quality health care must be achieved through the joint efforts and close collaboration between the medical community and government through its elected officials.

Historically, Government has accepted its responsibility primarily by breaking down some of the financial barriers to obtaining health care through the establishment of the Medicare and Medicaid programs.

There are still many people, however, who find access to quality health care difficult or impossible.

Within the last few years, there has been growing acceptance that government's role must be more than just to provide for a health care financing mechanism for the medically indigent or the older American. Thus, at least eight proposals for national health insurance are currently before Congress.

Of these, I have cosponsored S. 3, the Health Security Act. I believe this proposal, while certainly not perfect, and requiring some further thought and refinement, offers the broadest range of health care to the patient, and at the same time tries to address the problem of building up the nation's health resources to meet the increase in demand for health services which is expected to result from the adoption of a national health insurance program.

There can be no doubt that national health insurance will be a major topic of discussion this year, and that the next few years will see the eventual implementation of a national health insurance program. As I see it, this program will be a blend of the several proposals before us now.

President Nixon's newest health insurance proposal is a significant advance over his first proposal two years ago.

The basic benefits are decidedly improved over those he first proposed, and his new plan would extend coverage to many segments of the population excluded under his previous proposal.

However, the Administration's proposal would require middle and marginal low-income families to make excessive payments which would deter their receiving comprehensive and preventive health care. I am also most concerned that the average illness would then turn out to cost more out-of-pocket to the Medicare beneficiary than at present under Medicare. In its analysis of the Nixon proposal, the National Council of Senior Citizens has estimated that the out-of-pocket cost under the plan of the average 12-day hospital stay for Medicare beneficiaries would be quadrupled—rising from the present $84 to $342.

In addition, some services now provided under Medicaid for indigent persons would *be reduced* under the President's proposal. For instance, indigent persons would be required to pay for a portion of basic services now provided to them at no cost. The preventive health care benefits presently available to Medicaid beneficiaries up to the age of 18 would be limited and would apply only to individuals up to the age of 13.

Moreover, I don't think we should give the health insurance industry a major responsibility in administering reimbursement with almost no Federal regulatory standards or procedures, as the President proposes.

I also don't think Mr. Nixon—or whoever put together his proposal—gave enough consideration to the errors of the original Medicare program, where there were insufficient procedures to control overall health care costs (especially during hospitalization) and to provide incentives for the more efficient and effective use of expensive medical resources.

In developing a national health insurance program, I hope we can receive the greatest input fron. practicing physicians. You will be on the forefront of those who must make any program that is adopted work. Your experience in patient care—in knowing your patients and their attitudes toward health care, in knowing the problems of health providers, in knowing the strengths as well as the weaknesses in your own community, will be an invaluable asset in the development of a successful, workable program for national health insurance. I urge you to share with me the insights and knowledge you have acquired as providers in the current health system.

In building towards some kind of inevitable national health insurance program, we in Government, and you in the medical community share a major responsibility—to create a system that can withstand the phenomenal pressures that will be brought to bear on the full range of existing health resources by the establishment of national health insurance.

At the Federal level, some of these first steps have been taken in programs to increase the nation's health manpower through incentives to health training institutions to train more physicians—with specialties meeting the demand for more family services—and more dentists, nurses, and other professionals, as well as the urgently needeed extenders of the highly trained professional—for example, the physician's assistant, the dental therapist, and the specialized surgeon's assistant. The trend within the past decade to use the nurse more effectively as a nurse practitioner in specialized fields has received the bulk of its impetus from Federally-supported programs. I have been at the forefront of these legislative efforts in Congress.

In the field of medical research, the Federal government has made a massive contribution—some 63 percent of the nation's biomedical research budget is derived from Federal sources. Despite short-sighted efforts by the Administration to cut back biomedical research in all but a few highly "popular" areas—cancer and heart and lung disease—we are continually trying to broaden this support.

I'd like to mention a few of the steps I am taking to build our health resource capability.

One of these steps is legislation I cosponsored to establish an Institute on Aging. This new Institute will focus attention on finding solutions to the biomedical, psychological, and social problems of the older American who now represents ten percent of the population—a statistic that cannot help but become greater as medical science continues its steady advance against illness and the two major killers, cancer and heart disease. It will develop and encourage research in the aging process. This legislation, pocket-vetoed by the President in 1972, passed the Senate again last year. It should receive favorable consideration in the House in the next month.

I recently introduced the National Arthritis Act which, when enacted, will provide the means to mount a national attack on arthritis. This attack will be supported through an organized program of basic and clinical research directed towards medical areas defined as most promising by a panel of experts. It will also include a concerted effort to develop early diagnosis and control of arthritis, and to establish centers where arthritis sufferers can be referred for the most up-to-date treatment and rehabilitation, and where professionals can be specially trained to treat this crippling and disabling disease. This bill now has 51 cosponsors!

In the area of improving health services, I am particularly concerned at the difficulty many people have in obtaining specialized medical services in an emergency. In many parts of the country there is in reality no system for taking care of the emergency victim. Rather, there is a haphazard approach of trusting to luck that all the essential elements of an emergency medical services system will fall into place when needed. But this does not just happen.

Instead, in times of medical emergency, precious minutes have been lost—minutes that could mean life, or freedom from permanent disability. Here in Beverly Hills, I understand that there is no emergency room open to the public 24 hours a day. When sudden illness strikes, someone has to know how to call the Fire Rescue Squad and indeed has to know that that is the entry point into the emergency system.

Then, if it's not rush hour, it's a quick four minute run to U.C.L.A.'s excellent emergency room. If traffic is heavy, it may take considerably longer.

Beverly Hills has a reasonably workable system. However, most other communities are not as fortunate. Their problems will, I hope, be solved through implementation of legislation I authored—the Emergency Medical Services Systems Act of 1973. There is $27 million available this year under this new law to help communities organize their emergency medical services into systematic approaches, to develop the necessary transportation and communications facilities, to train the necessary personnel to provide the care—from the Emergency Medical Technician to the emergency room physician—and to provide the necessary services quickly and efficiently;

The advice of the medical community was invaluable in developing this new law as it has been in all my legislative activities related to health matters. I have always sought the suggestions of the providers of health care, as well as the consumers, on these matters, and have always found them eager to be of help. They have offered very important insights.

I hope to keep this avenue of communication wide open in the future consideration of health legislation before Congress, as well as in my oversight responsibilities for Federally-supported health programs.

A case in point is the recent proposal to me by the California Medical Association that it conduct CMA staff surveys of all the Veterans Administration hospitals in California. As Chairman of the Subcommittee on Health and Hospitals of the Veterans Affairs Committee, I have been actively engaged for the last five years in efforts to improve the quality of care at VA hospitals.

As part of this effort, I have stressed repeatedly the importance of involving the VA more closely with community medicine and vice versa, and I have authorized a great deal of legislation that is now law, to bring about this essential communication and cross-fertilization. I believe strongly that the $3.2 billion VA health and hospital system is a great national health resource which can while improving health care for veterans serve all Americans in developing new methods of treatment, research, and health personnel training.

Thus, when the CMA's suggestion was made to me last month, I welcomed it, and immediately began discussing it with various persons in the medical community, and then with the VA Department of Medicine and Surgery. I am now recommending to the VA Chief Medical Director that the VA accept this offer. I am convinced that the CMA Staff Surveys of California VA hospitals can only result in better patient care for veterans.

In fact, this extension of the CMA staff surveys to the VA hospitals seems a logical extension of the CMA/RMP patient-care audit system which I understand the majority of Veterans Administration hospitals in California already are using. The VA use of this internal review system serves as an excellent example of the cooperation and coordination that can exist between the medical community and Federal health programs.

This brings me to the newest role government is playing in the medical community, that of assuring that health care provided under Federally-financial auspices meets the highest quality standards. The Professional Standards Review Organizations, authorized by H.R. 1 two years ago and now being implemented, will be the vehicles for carrying out this responsibility.

The CMA/R.M.P. medical audit serves as an excellent example of the positive contribution which can be made by the medical community itself in assuring quality care.

It is encouraging to note that these CMA/RMP audit programs are being adopted in 38 other states. Undoubtedly, their influence will be felt in regard to R.S.R.O. programs as they are established throughout the country.

One of the concepts included in the CMA/RMP audit, which I applaud, is its recognition that patient care evaluation is an interdisciplinary responsibility. Another is that it is oriented towards providing a learning experience and continuing education program for participating health care personnel, rather than an adversary program where one group of peers is acting as judge of the qualifications of others and acting merely as a disciplinary force rather than primarily as an educational one.

Through programs such as the CMA/RMP patient-care audit, the process of achieving better health care for all Americans is going forward in the medical community itself, building upon the knowledge gained in the past in order to improve health care in the future.

Government—at all levels—must similarly focus its efforts on developing positive measures to improve health care. It cannot rely

on arbitrary measures to restrict patient utilization of health serviecs by time-consuming prior authorization for hospitalization, or by arbitrarily limiting the number of services which can be received over a particular period of time.

I believe we should and must rely in the first instance on the good judgment and integrity of health care professionals to make basic medical judgments, back-stopped by an effective, multi-disciplinary, progressive utilization review system. Diseases and injuries are not, of course, treatable on paper. They exist in the very personal context of the individual patient and the overlay of his or her particular medical history and current social, economic, psychological, and physical make-up.

Good patient care can not be prescribed by a computer printout. The human factor on the giving and receiving end is all important.

That is why we cannot rush headlong into massive new procedures such as contracting with pre-paid health plans without first thoroughly evaluating their ability to provide comprehensive, compassionate, health services and to establish adequate safeguards to assure quality.

In the short run, such steps may achieve a dollar savings, but in neither the short nor the long run do they necessarily contribute to the desired goal—quality health care for the individual patient.

In fact, these kinds of short-sighted measures may very well prevent quality and cost-effective health care by setting up artificial barriers and measures not applicable to particular patient needs and medical situations.

Such measures, I believe, were the result of administrators looking too much to the pocketbook and too little to the basic purpose of health programs. The process must, of course, be a delicate balance which cannot be properly struck with a meat axe or a bludgeon. Something closer to the precision of a surgeon's scalpel and an electrocardiogram's fine tuning are needed.

I believe that much unfortunate skepticism about prepaid health plans here in California has resulted from this headlong plunge to cut costs at the expense of quality care. And to do so particularly for those who cannot afford to purchase their own care. In the process, many fine programs have been tarnished by the notoriety of a few that were poorly planned and poorly administered.

Now, the California legislature is taking steps to ensure that a high level of care is provided by prepaid plans, and in Washington the amendments to the Social Security Act, currently in Conference, include language which will assure that any prepaid health program, contracting to provide services under Medicaid, must meet certain basic requirements.

Hopefully, the problems which arose will now be corrected by what I believe is an example of responsible and responsive action of elected representatives both in Sacramento and Washington, who have thereby shown their dedication to the principle that quality health care must be provided in the most efficient manner and must be of one standard for all.

I know this is also the prime consideration for you in the medical community.

I believe that working together we can achieve our mutual goals. I again invite your full partnership in my efforts in this field, and I look forward to your active participation with me in the development of new programs and processes to assure a healthier America.

DEFENSE BUDGET DECLINING

Mr. THURMOND. Mr. President, despite many statements to the contrary, the defense budget is declining and has been declining for the last several years.

An editorial which brings this point into sharp focus appeared in the Tuesday, March 26 issue of the Augusta Chronicle newspaper, Augusta, Ga. Entitled "Peril in Weakness," the editorial takes note of reports that the defense budget will apparently be cut sharply by the Congress. It also draws attention to the fact that as a percent of the national budget, defense has declined a great deal in the last few years and in many areas we are falling behind the Soviet Union in military preparedness.

Mr. President, I ask unanimous consent that this editorial be printed in the RECORD at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PERIL IN WEAKNESS

The probability is that our country's proposed $85.8 billion defense budget will have smooth sailing in the Congress, it is reported by Congressional Quarterly staff writers close to the Washington scene.

But the reason for their forecast is that the Nation—and its congressmen—are "preoccupied by impeachment, energy and the economy." This situation may turn out to be the determining factor, but if we have an adequate defense simply by default of those who might normally urge unilateral disarmament, we as a people will have learned little. We should stay at least as strong as the Soviet Union because the clear lesson of all history is that weakness invites aggression.

As a matter of fact, an attack on the Pentagon's budget requests does come from what might be thought an unlikely source—a former secretary of Defense. Clark M. Clifford's proposal that spending be cut $4 billion in each of the next four years until it leveled off at $70 billion is a demonstration of one major reason the Vietnam war stretched out so long, with so many needless casualties. The former Defense secretary then was against the use of power to gain an earlier peace, and he now is against the creation of power which could assure the retention of peace.

It is true that the $85.8 billion requested is the largest dollar amount ever proposed. Disarmament advocates will trumpet that fact from the housetops. What they will be very quiet about is that (1) galloping inflation makes this amount far less in purchasing power; (2) vastly expanded costs of recruiting and retaining personnel sharply whittles down spending for other vital needs; and (3) the amount, large as it is, is still—in the words of Rep. Robert L. F. Sikes (D-Fla.), ranking Democrat on the House Appropriations Defense Subcommittee—"shrinking" as a percentage of the total budget. If one wishes to locate spending areas that have expanded most exorbitantly, and offer the greatest challenge for economy, he should look to the social programs which do little except pay for wasteful armies of bureaucrats.

An article in the March 15 issue of National Review by Sen. James L. Buckley (Ind.-N.Y.) notes that Russia has forged ahead of us in all-important nuclear weapons. Over the past five years, he points out, U.S. expenditures for strategic forces have declined from one-third of our defense funds to less than one-tenth. Not only has Moscow developed five new strategic ballistic missiles in just one year—it also has turned out two new missile-launching submarines in the same period.

Half the Soviet navy has been launched since 1964, and its air force has been modernized and enlarged. Our ground forces have shrunk while the Russians have maintained 75 divisions.

Worst of all, our research for defense has been reduced 21 per cent while the Soviet research continues at a level 50 per cent above our own.

It may indeed be, as Congressional Quarterly observers predict, that the defense budget will pass substantially as requested. Members of the Congress, however, if they value our security, will be on the alert to repel attacks such as that by Clifford.

I.R. & D. AND THE TECHNOLOGY BASE

Mr. CHILES. Mr. President, I would like to call to the attention of my colleagues an excellent article by Vernon Pizer in the February issue of the Washingtonian magazine entitled, "Who Unplugged America's Science Machine?" It is a comprehensive and lucid study of the current decline in scientific and technological research and development on the Federal level.

I have been extremely concerned about the long-range effects of this erosion on the technological base of this country, particularly in the energy, space, and defense areas. To continue to undercut scientific development in areas affecting all levels of society would be nothing short of disastrous.

However, there is more to the problem than the need for increased and sustained Federal funding of contracted research and development. We in the Congress must begin to think in terms of a total national base of research and technology. In this regard, research and development performed independently by the Nation's innovative industries, both large and small, is part of our problem and must be part of our solution.

How to sustain and enrich the Nation's base of research and technology is the central issue. Alternative mechanisms to do so, of which I.R. & D. is only one, then must be thoroughly evaluated not only for the beneficial results but also for the adverse side effects that these techniques generate.

Mr. President, I ask unanimous consent that the Washingtonian article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[Reprinted by permission of Washington Magazine, Inc., February 1974]

WHO UNPLUGGED AMERICA'S SCIENCE MACHINE?

(By Vernon Pizer)

Last fall, in a White House ceremony that was resurrected after a two-year pause in its annual scheduling, President Nixon awarded the National Medal of Science to eleven people. The event drew perfunctory coverage from the daily press, but scientific Washington—and scientists around the nation—were attentive almost to the point of mesmerization. Nobelists, leaders of professional societies and technological think-tanks, or just plain bench scientists subjected every facet of the awards to the kind of hair splitting analysis dear to Talmudic scholars: Composition of the guest list, manner in which the event was staged, length and character of the Presidential remarks, degree of warmth in the Presidential voice.

This remarkable attentiveness to nuances suggests the complex and fragile relationship that exists between science and government, a relationship exerting a direct, very large influence on everyday life—after all, everyday living now is in almost all ways conditioned by science and technology. It raises

a series of pertinent questions. What is the state of American science? What is its relationship with government? What are our national science policies? How and by whom are these policies being shaped? What has gone awry in our handling of science and technology to put our energy supply in jeopardy? What other crises are about to come down on our heads and what needs to be done to protect us from them?

In recent years the scientific community has reeled from a series of rebuffs it was not prepared for. After World War II—a conflict as much, or more, a contest of technologies as of armies—the public genuflected at the altar of science/technology. Later, when the Soviet sputnik threatened our national pride, US science rallied to the cause again, mounting a massive, successful assault on space. Then a curious thing happened on the way to the mid-1960s—significant numbers of people began to have doubts about the quality of life in a technological society. There was a recoil from mechanized, computerized, plasticized, depersonalized living. There was condemnation of chemical preservatives in food, perversity in telephones and cars, hazards in microwave ovens and paint formulas, industrial debris in water, soil, and air.

While much of the public was rebelling against it, the scientific community faced disturbing questions about its proper role and responsibility. Its self-examination and self-doubt were intensified by the war in Vietnam, which channeled so large a portion of the scientific effort into destructive acts. A dormant organization, the Federation of American Scientists, was rejuvenated to lobby Congress, harry the Administration, and galvanize broad support for what the FAS conceives to be the proper uses of science. Much of the scientific community deplored the active politicizing of science, but FAS membership increased from several hundred five years ago to some 6,000—including 33 Nobelists—today.

In early 1973 President Nixon, with the blessing of Congress, bashed the wrecking ball against the White House science structure. Eliminated from the Presidential staff were the Science Adviser to the President and two groups chaired by him: the Office of Science and Technology (OST) and the President's Science Advisory Committee (PSAC). Scientists could rationalize their fall from public grace, could even empathize with their detractors. They could live with the ferment and militancy within their own ranks, even ultimately benefit from this exercise in self-criticism. But the upheaval at 1600 Pennsylvania Avenue left them dismayed, apprehensive, and confused. Hence, the attention they lavished on the recent Presidential science awards.

To be sure, the White House announced that the Science Adviser's hat would be worn by the director of the National Science Foundation, a federal agency. In addition, the functions of the disbanded OST were to be assumed by a new Science and Technology Policy Office to be established within NSF. But gone entirely was PSAC, created by President Eisenhower to channel to the White House the views of the nation's most distinguished scientists and engineers. A feisty, intellectually uninhibited bunch, PSAC's eighteen members commuted to monthly meetings in Washington, where they frequently opposed Administration projects and exhibited a penchant for seeking flaws in military technology proposals. Not unduly awed by the Presidency, more than once PSAC members publicized their disagreement with Administration views. It was not too surprising that Mr. Nixon eliminated the committee. But in doing so he severed a conduit of extremely sophisticated scientific advice whose value was enhanced by the very independence he found abrasive.

Did the White House's dismantling of its scientific apparatus signal a Nixon Administration downgrading of science at a time when the nation has problems only science can solve? Did it reflect Nixonian pique? After all, PSAC had been nettlesome; an OST consultant had helped shoot down the SST when Mr. Nixon was trying to push it through Congress; the scientific community had largely opposed Mr. Nixon during his campaigns for the Presidency.

"The President was certainly aware of the scientific community's disapproval of him, and the role this played in the breakup of the White House science mechanism cannot be discounted," say Dr. Glenn Seaborg, Nobel prize winner, until two years ago head of the Atomic Energy Commission, currently chairman of the American Association for the Advancement of Science. In a voice oddly small for his gangling six-foot-three-inch frame, he continues: "But the more I analyze the breakup, which I found distressing, the more I feel it stems mainly from two factors. One is Administration uneasiness with science and scientists, an uneasiness tinged with a peculiar, unexplainable fear of science. The second is White House disdain for scientists because, from the politician's viewpoint, we lack political acumen. To fall back on what I imagine is now outdated slang, we are too square to fit the convolutions of politics."

Predictably, Dr. H. Guyford Stever, director of the National Science Foundation and former president of Carnegie-Mellon University, defends the White House: "It is nonsense to think that this Administration is anti-science. The Administration has"—he pauses here to search for the right word—"cautious respect for science. It believes decentralization away from the White House will enhance performance by moving the federal organs of science into a better relationship, by bringing basic research closer to those who apply the research. But moving the Science Adviser from the White House doesn't mean the President loses touch with science. I have ready access to him when I feel the need. Furthermore, and this isn't appreciated, prior Science Advisers were covered by executive privilege because they were on the President's staff and so they were not available to Congress. Executive privilege does not extend to me. I am within reach of Congress and have already testified at hearings on the Hill. This opening up of communications has to mean better science."

Dr. Stever's statement invites skepticism. When there was a Science Adviser at the White House he regularly attended meetings of the National Security Council, the Defense Science Board, and, when appropriate, the Joint Chiefs of Staff. He had direct access to the President. All this meant he had thorough knowledge of government actions—and contemplated actions—related to science.

Things are different now. Direct participation in NSC deliberations is only by invitation, sparingly issued. The military follows a policy of benign neglect toward the Science Adviser. Access to the President has become indirect: The Science Adviser now communicates through two filters—the Office of Management and Budget and George P. Shultz in his role as Assistant to the President. Stever can make an end run around these screens but he doesn't often try it. Finally Stever's assertion that former Science Advisers were unavailable to Congress is a bit misleading. The Science Adviser was beyond reach of Congress only in his role as Presidential assistant; in his role as head of the Office of Science and Technology he was—through the arcane logic that determines the extent of executive privilege—available. Both Jerome Weisner and Don Hornig, two of Stever's predecessors, appeared before Congressional committees.

"On paper, Stever has a set of responsibilities that sound impressive, but when you examine the facts you find anomalies," says Dr. Philip Handler, president of the prestigious National Academy of Sciences. "For instance, of all the federal agencies involved in science—AEC, NASA, HEW, DOD, and the rest—only Stever's NSF has a broad hunting license to pursue and support basic research across the whole spectrum of inquiry; all the others confine themselves to science that is related to their assigned mission. One of Stever's multiple responsibilities is to chair the Federal Council on Science and Technology, which is composed of all the agencies doing science. The idea is that Stever, with his clout as Science Adviser and his NSF range over the whole of science, can use the Council as a vehicle for inter-agency transfer of knowledge, for sharing of projects and facilities, for cross-fertilization of concepts and insights, and so on. But the Council has never lived up to its potential and Stever is handicapped in turning things around because the Adviser's clout diminished the moment he left the White House and because NSF is a small agency in a league of big agencies. Those are simply the realities of bureaucratic life."

When Handler adopts his favorite reflective pose—torso draped low on one chair, feet extended on the seat of another—you sense that while his body rests his mind remains standing at attention. "Many, but not all, of the functions of the dismantled White House science apparatus have been assigned to NSF. My fear is that these additional responsibilities may divert Stever and his top people from their original task. Bear in mind that NSF is the only government agency specifically mandated to support basic research across the board. In addition, the fact remains that the upheaval in the White House left a critical void and nothing has been devised to fill the vaccum. Any way you look at it, it is inescapable that the Science Adviser has been pulled down to a lower level. When he was in the White House he was the President's in-house problem solver. The President needs him close at hand, needs him as an expert who can serve almost as an adversary to the cabinet departments submitting science proposals. Somebody is going to have to re-invent the Science Adviser at White House level."

Roy Ash, head of the Office of Management and Budget, is nominally one of the two intermediaries between Stever and the President. Actually, the OMB screen on a daily basis has been Dr. John C. Sawhill, OMB Associate Director for Natural Resources, Energy, and Science until his recent appointment as Deputy Director of the new Federal Energy Administration. Sawhill concedes that removal of the Adviser from the White House fostered widespread belief that the Administration had assigned science a lower priority, "but we don't think we should have a White House adviser on science any more than one on Indian affairs or education." He also concedes that turning the advisory function over to NSF creates a small-frog-in-a-big-pond situation, since NSF is dwarfed by the other federal agencies doing science, "but we will sit down with Guy Stever and give him some say in how we allocate resources to all the agencies and we will make sure the agencies know we are doing this."

Sawhill did not seem to recognize that his statement implies that the advisory post was seriously impaired when it was severed from the White House. His statement also is a tacit confirmation of the view held by knowledgeable insiders that the federal approach to science is less a product of scientists than of Administration business managers.

A man with impeccable inside credentials is William D. Carey, now vice president of the Arthur D. Little management consulting firm, but until 1969 the assistant director of the Bureau of the Budget, where his field of oversight was science. "I've seen evidence that Guy Stever is operating with considera-

ble confidence, developing channels to industry and the academic institutions and putting together a fine group of people in NSF, but he has an uphill struggle to infuse his influence into a Presidency in great disarray," he says. "And the way the scenario is written, his problems are even worse than I contemplated when the changed set-up was first announced. The truth of the matter is that while he has two supposed channels to the President, in practical terms the two merge and become one. Shultz has his plate full and can only ration a splinter of his attention to science. About the only science that gets through to the President is what manages to filter through the screen and the screen is OMB."

In other words, federal science is to a considerable extent what the Office of Management and Budget says it is. This is not necessarily bad for science. It can't flourish in isolation from economic reality and the claims of other national requirements. Nevertheless, it is unsettling to find that much of the mold in which US science is cast is being shaped by the hands of John Sawhill types. And no matter how sensitive those hands are, they belong to men whose expertise is confined to business administration.

I asked Dr. Sawhill how a financial manager makes decisions in the labyrinth of science and technology. He responded forcefully: "By applying proven management techniques, including the yardstick of cost effectiveness. We simply use our accumulated analytical wisdom to arrive at a sound judgment."

In discussing the philosophy with which he approaches his task, Sawhill said, "We can't move too fast on science and technology. The President, any President, can be a leader to only a very limited extent; he can't be far ahead of the people. He can't introduce a program until the people are ready to support it and the people won't be ready until they are in a crisis situation. Once we are in a crisis we can shape a crash program to deal with it. I believe in the efficacy of crash programs. It is only when you marshal all your talents and resources on a crash basis that you get good, hard results."

Strange words from a management expert. Wernher von Braun once told me, "I can't understand Washington's penchant for getting boxed into a corner and then relying on a crash program to get it out. A crash program can't make up for lost time. It's like trying to compress nine-month gestation into one month by impregnating a woman by nine different men simultaneously."

Bill Carey shook his head when I asked his opinion of the Sawhill philosophy. "I don't deny that if you suddenly face an unexpected problem of major scope you have to concentrate resources and get priorities to deal with it, but if we have learned anything about crash programs it is that they result in tremendous waste and dislocation. I can't agree that our science should evolve on a crash basis. That's like setting out to jerk science up by its ears and make it bark the way old Lyndon used to hoist his beagle."

Dr. Seaborg sounded almost sad as he observed, "I don't understand why Presidents can't lead. If they don't who can? As for crash programs, they are surely the most inefficient, ineffective course to chart. I can't conceive of anyone wanting to go ahead on a crash basis."

Dr. Philip H. Abelson, president of Carnegie Institution of Washington and editor of the influential magazine *Science*, says, "The government consistently and successfully fumbles away our scientific and technological resources. Look how we diverted so much of our talent and resources to foolishness like Apollo. We got a little return from it but nothing commensurate with the tremendous investment. We don't look ahead, don't make balanced, rational plans for the future because the politicians are here-and now oriented. They want the quick, visible payoff and they're willing to mortgage the future to get it. They couldn't care less about an undertaking that might take, say, ten years to bring to fruition because they won't be in office then."

Is Abelson overstating the ineptitude of politicians? Is he expressing the feelings of a scientific community stung because it is not permitted to dip freely into the cookie jar? It did not seem so to me when I attempted to assess the performance of the Administration and Congress in science matters.

"When the Administration comes up with a program, they send it to us for legislative action but they don't accompany it with the high-level discussion out of which the proposed program emerged," a source on the House Committee on Science and Astronautics complained to me. "This denies us access to the reasoning behind it and to evaluation of the options and alternatives that were considered. It leaves us more or less groping our way until we finally reach the hearing stage and try to ask the right questions of witnesses. But in the meantime a lot of members have gotten themselves locked in by their public statements on the proposal, especially if it is one that attracts wide attention. That is a very unhealthy situation.

"Look what happened with the Clean Air Act. The legislation was first brought up in Congress at the time the country was all stirred up over ecology. Congressmen feel pulses more sensitively than doctors. Their reading of the public pulse led many to declare forcefully that they would keep auto exhausts from further fouling voters' lungs. They were committed to the legislation by the time we reached hearings so when they asked the experts if they could clean up emissions by such and such a date and the experts said 'Yes, but . . .' they chopped off testimony at the 'but.' They didn't want to hear about the technical problems, the effects on gas consumption and engine performance, the high cost of clean-up, and the possibility that the process of eliminating one harmful emission might merely substitute a different harmful emission. The bill was passed, face was saved, but few would agree it is a distinguished piece of legislation."

The Clean Air Act is only one of several poor Congressional actions in the area of science. Another that came home to haunt its supporters is section 203 of the 1970 Department of Defense authorization, the so-called Mansfield amendment, which required the Department of Defense to abandon all basic research not linked directly and demonstrably to specific, legitimate military requirements. (Although the legislation singled out DOD, the other mission-oriented agencies interpreted it as a signal and discontinued basic research not clearly tied to their missions.) Scientists cried out that basic research seldom is clearly definiable in terms of end-product use that the knowledge it produces is not divisible into good and bad, that it can't be segmented like sausages according to its potential application. They pointed out that from basic research conducted for the military came cryogenics, lasers, antibiotics, radar, jet airplanes. Congress paid no heed.

(Scientists generally praise the National Science Foundation for trying to prevent the more damaging discontinuations of basic research by taking over some of the projects abandoned by the mission agencies. But the hole in the dike was bigger than the NSF finger, and much research just leaked away.)

For twelve years—from the time of his first election to the House until he chose not to stand for re-election in 1970—Congressman Emilio Q. Daddario of Connecticut was one of the few who labored consistently for better science legislation, a record the more admirable because during his incumbency the public outcry against technology was shrill and he could have made political hay by joining the anti-science chorus. Daddario grants that the Congressional performance in science has been less than sterling. He admits that many Congressmen lock themselves into unwise positions before the facts are developed. But he understands why Congress has not performed better: "Congress hasn't had an adequate in-house mechanism to develop the facts lucidly, objectively, and rapidly. It hasn't had the tools to look ahead in science, to try to match national resources to national needs, to relate specific technologies to other areas of national life and to assess their effects on them. In short, there hasn't been sufficient Congressional capacity to evaluate, to anticipate, and to plan in the sciences."

But now, largely because of Daddario's efforts, the view from the Hill is due to change. Congress recently created the Office of Technological Assessment. The apolitical structure of OTA is promising: It will be overseen by a twelve-man board selected equally from members of both Houses and of both parties, and it will be advised by a twelve-man council drawn from consumer groups, industry, and the science community. Daddario has been appointed its operating head, another good sign. Perhaps most reassuring of all is Daddario's operational design for OTA—"We will develop our data and recommendations by going to the best experts, whoever and wherever they are, and drawing on their knowledge and insights. That will permit us to be a tight, trimmed-down body unfettered by institutional fat and parochial views and able to move quickly in any direction. I don't intend to create a bureaucracy of resident eggheads."

Perhaps reaction against science and technology preordained the current energy crisis. It is interesting to see how knowledgeable people assess the circumstances that cause us to be where we are today.

Dr. Stever says candidly, "We are in an energy crisis largely because this and preceding Administrations failed to heed the warnings that were given them. Back in 1964, one of my predecessors as Science Advisor, Don Hornig, alerted the White House in a report of hundreds of pages that made clear the dimensions of the developing problem. Succeeding advisers repeated the warnings but the White House was not spurred to action."

"More than anything else," says Dr. Seaborg, "it was the failure of the decision makers to act that got us into this. For years the technical people have been warning that our energy base needed to be expanded and improved to meet our mounting requirements. I spoke out on this publicly and in government councils in urgent tones as far back as the early 1960s. It has taken at least a decade for the decision makers to heed the fire-bells that were rung."

Dr. Abelson says, "We are caught in a bind because of mismanagement and complacency and because we got—and are still getting—more breastbeating than really incisive, definitive, long-range direction. The first thing we have to agree on is that there have to be trade-offs. A perfect environment is an impossible dream. If, for example, we say we can't have new refineries because they stink, then we can't have energy."

Dr. Handler points a finger at both science and government. "Scientists and technologists yelled, but not loud enough, long enough, or soon enough; they didn't foresee that automobiles would be reproducing themselves in annual twelve-million increments; they didn't make adequate projections of needs and resources. Government was stodgy, listless, dozing off. My God, the Bureau of Mines should have been hot on the trail of coal gasification twenty years ago."

Dr. Sawhill of OMB responds, "The technical people sounded the alarm but we simply had to wait for the crisis to come in order

to have public support for a major program to cope with it."

The energy crisis should be a warning. We are facing a problem of even greater proportions. "Energy has me worried but basic materials have me worried even more," says Guy Stever. "We must move rapidly and wisely in the field of materials science because shortages are approaching critical stage." The materials problem did not appear overnight. On July 14, 1968, the National Bureau of Standards issued a report on materials that emphasized the need to deal quickly with corrosion problems. Some of the warnings: U.S. losses each year due to corrosion are more than ten billion dollars, at least one billion of it in federal facilities alone; almost 40 percent of US steel production is for replacement of corroded parts and products. But no meaningful program was launched to correct the appalling corrosion waste.

Dr. Handler cites statstics: "Of 75 critical minerals we need to support our economy, 25 percent do not exist in this country, so we must depend entirely on foreign sources whose supply is diminishing at the same time that consumption around the world is mounting. Another 25 percent of the minerals exist to some degree in this country so, at least for now, we can satisfy a portion of our needs from domestic sources. The remaining 50 percent exists domestically in quantities sufficient for current needs but in 20 years, 30 at the outside, the 50 percent in which we are now self-sufficient will have been slashed in half. So the situation is grim. An approach like recycling is only one of a whole range of answers that have to be found. What's needed, and quickly, is an innovative, across-the-board effort in materials science to come up with fresh, imaginative technologies. But who is formulating national policies that will meet the problem head-on and lead to solutions? Nobody. That worries the hell out of me."

The key word in the foregoing is "policies." Those who pursue science all agree that the primary flaw in the way the nation handles science is the failure to devise a rational, consistent policy. As Handler says, "This country has never had a science policy. We never looked at the subject in its entirety and formulated an intelligent, over-all approach. What we have had is bits and pieces of *ad hoc* policies to deal with bits and pieces of science; often they were wasteful if not downright counterproductive. For instance, the Mansfield amendment was adopted just to deal with defense science but as a result of it twelve materials laboratories were abandoned. Or take the fiasco of the President's War on Cancer where a 'disease of the month' was picked and people and resources were pulled from other health programs to attack it. Focusing unduly large effort on finding a quick payoff on cancer unbalances the total quest for medical knowledge, pinches NIH's ability to perform research over the spectrum of biomedicine, research from which could come the answers to a host of medical riddles including—ironically—cancer. This kind of thinking permeates the whole fabric of science because the fabric is woven largely on looms controlled and funded by inept, myopic federal decision-making. At one end of the scale we wind up with scientists so busy as entrepeneurs making a pitch for funding that they have damned little time for science, and at the other end we have a few jewels almost lost in a pool of well funded mediocrity."

Seaborg—"We need to fill our policy vacuum. We need to announce a strong program of support for basic research, and a workable mechanism for establishing priorities in the various fields of science/technology consistent with our national requirements. It is long past time that we recognized that science has a potent capacity to determine the welfare of the nation and so must be accorded a central and continuing role in the decision-making process."

Carey—"We have no firm or lasting policies. We have only a series of temporary policies and they are temporary each year according to the shape of the budget. Our attitude toward science is tactical, not strategic, and that's not good enough. We must look ahead, must devise an enduring policy and a coordinated program for long-range gains."

Daddario—"Because there is no definitive science policy we are forced to fall back on short-range responses jerrybuilt to meet each crisis at its apex. We simply have to fashion a national policy on a rational, anticipatory basis with the executive and legislative branches, the public sector, the academicians, and industry all influencing its ultimate shape so that it is a national concensus. It has to look ahead at our needs and goals and provide the scientific-technological vehicle to get us there, and it has to have enough flexibility so that it does not stifle initiative."

Abelson—"Science is pursued on 10,000 fronts and the opportunities on each front are variable and shifting so there must be sufficient resiliency to seize them when they appear. But the resiliency has to be within a consistent and continuing framework and we have never had that. Those who administer science and control its pursestrings constantly waver, responding to enthusiasms of the moment. Starting back in the Kennedy years the government granted vast numbers of fellowships to lure people into the sciences so we wound up with many who should never have been in the field. Now the pendulum has swung the other way and the government has come very close to abolishing fellowship completely so we are failing to get many who could add strength to science. This start-and-stop inconsistency is pitifully common and it squanders resourecs and brains. Every time a field of science generates a wave of popular enthusiasm every government agency tries to get on the gravy train; as soon as popular enthusiasm switches to something else they immediately change trains. What we need desperately is a sound, coherent government way of handling science, one that cuts out the train changing."

What we seem to have is a science/technology community afloat on a sea of governmental ineptitude, erratically propelled by winds that blow hot or cold or not at all from the White House and the Hill. What has this done to science itself? How healthy is American science? And what is the prognosis?

There is no simple gauge to measure science's state of health, but there are a couple of useful indicators. One is the number of Nobel prizes awarded to American scientists. Here, superficially, the news is encouraging. The Nobel prize continues to be awarded to Americans in disproportionately large numbers. However, the prize is as much an accolade for past accomplishments as for current attainments. There is a built-in time lag in basic science, a long period of necessary testing and refining, so the work that wins recognition today always is several years past its initiation. The birth control pill, for example, derives from hormone research undertaken in 1849.

Another indicator of quality is the status of the American "patent balance"—patents granted in various countries for developments of US origin versus those of foreign origin. It is a measure of the comparative innovative competence of science and technology among the advanced countries. The figures reveal a favorable US balance, but the margin of favorability is markedly declining. Since 1966, progressively fewer patents of US origin have been issued in France, Great Britain, West Germany, the Soviet Union, and Japan; during the same period the US granted patents for an accelerating number of developments of Japanese origin. From 1966 to 1970 the American favorable patent balance fell by 40 percent.

Guy Stever at the National Science Foundation expresses faith in US science. "The quality of our science is still extremely high," he says, "although it doesn't tower over foreign science as it once did. There used to be an almost unbelievable gap between us and the rest of the world but that gap has now closed dramatically. What has to be borne in mind is that it wasn't closed because our performance deteriorated but because they made such a tremendous comeback after the dislocations and discontinuties of World War II."

Bill Carey is less sanguine. "Our basic research is holding up very well in every field but the quality of the technology that derives from it is not holding up as well. With regard to both I am troubled that neither is growing. In other words, we are doing less than we are capable of doing and less than we should be doing. This is the way a nation becomes second rate. We haven't reached that point yet but I think we are headed that way unless we take prompt, affirmative steps to change direction."

The views of Dr. Abelson parallel those of Carey. "We tended to assume that because our science/technology was the best in the world we were guaranteed leadership in perpetuity, so we drifted into complacency and smugness. The result is that there has been some slippage in the caliber of our technology, especially in comparison with the level of performance abroad."

Dr. Handler echoes the Stever confidence in American science, but hedges his position: "I start with the fundamental belief that our science is great. Having said that I have to point out that greatness is relative and not immutable. One thing that worries me is our almost total failure to develop capability for technological assessment—crystal-balling the future impact of new technologies. In the past we ignored the price that neglect of technological assessment extracts because we operated in an economy of waste and because we, as a nation, were only tangentially sensitive to societal needs. Those days are gone forever. To stay healthy, science and technology have to adjust to today's realities."

Dr. Handler's point about the need to evaluate future impact was echoed by virtually everyone I spoke to; it marks an awareness that a new dimension has been added to the criteria for judging science and technology, a recognition that—as one put it—"We must ask not only what a new development will do but also what *else* it will do." He illustrates by citing the mechanization of cotton picking in the 1930s. Mechanization was accompanied by the less-than-startling prediction that the machines would displace vast numbers of field workers but would greatly enhance farm efficiency. It was not foreseen that displaced workers would migrate to cities and create the ghettos that plague urban America.

When they move from estimating science's present quality to predicting its future health the experts divide the most. They coalesce into two distinct groups, one tilting toward optimism, the other toward pessimism.

Among the more confirmed optimists is Dr. Stever, which is hardly surprising considering his position. "I see us coming toward a more sophisticated approach, with the science community placing greater emphasis on quality than on numbers. I see better rapport between those who manage science, those who do science, and those who are served by it. I see basic research responding better and quicker to matters that affect the character of our lives and by doing so preventing many vexing problems.

I have to say I look to the future with confidence."

Dr. Handler also adopts a buoyant outlook. "There are enormous problems ahead," he concedes, "but I see no grounds for despair. Spaceship Earth is suddenly small and resources are finite but science is at best adolescent. The body of scientific understanding has been doubling every eight to ten years and 90 percent of the knowledge we possess today was learned during my lifetime. That means we have a fantastic, self-renewing outpouring of answers to questions we raise and to those we haven't even yet begun to raise. I simply cannot believe that we will be unable to think our way out of our dilemmas."

The essence of Dr. Sawhill's look into the future is change, change that will lead to better science/technology. "I see a resurgence of R and D funds but with the money and effort switching to areas of emphasis that are different from those of the past. I see us shifting our technologies away from the defense and space programs that have captured so much attention to other fields more directly related to us as individuals—things like medicine, environment, energy, nutrition, pollution. I think we will develop a closer, better link between science and government that will result in creating a set of priorities for science and this, in turn, will mean better science and an enhanced level of national well-being."

"You can include me among the optimists," Dr. Seaborg says in his soft-spoken, thoughtful way. "To be without optimism is to be without hope. I do not doubt that we are entering a period of austerity. But, and I suppose it is quite ironic, I base much of my optimism on the very energy crunch that grips us now. The energy crisis that is hurting us is also helping us by dramatizing our dependence on our scientists and engineers. This will unquestionably restore a sense of balance, will bring scientists and engineers back into proper perspective. I see signs of it happening already. Because of this I am convinced we will marshal our intellectual resources to solve our problems."

Dr. Abelson expresses the pessimists' view. His panorama of the future is dismal and he describes it in somber tones. "After a long period of mismanagement and of frittering away resources and opportunities, we now face a set of monumental challenges that put a severe strain on the ability of society and the profit system to cope with technological realities pragmatically and intelligently. We are in for tough times. Just getting through the next five or ten years is a tremendous challenge. I think we are due for a lowering of the level of our technology and I think it is even likely that we will have a lowering of our overall standard of living." But Abelson does manage to perceive a few, thin threads of silver caught in the lining of his dark cloud. "My hope is that I am right in my reading that there is in process a growing Administration recognition that the scientific/technological crises confronting us are not solvable by political fiat but by sceintific/technological performance. There seems to be the stirirng of a government move toward more perceptive, more relevant support of science—hence, a stimulus for better science. If my reading is accurate, if this movement accelerates and expands, then the tough times ahead can become less protracted."

Bill Carey pitches his tent on the nether side of Phil Abelson's. "I do not see this nation again in the position of world preeminence in science/technology that we enjoyed as recently as five to seven years ago. It is a lead we have given up and will not recover. In basic science we will continue to hold a respected seat at the table but is will now be a round table, no more place set at the head. In technology the prospects are more gloomy. I see us driven by problems and hampered by slackness in the tchnology apparatus. We will be backed into troubles when we should be able to approach them with our bow instead of our stern. I can see decades of crunches, squeezes, and shortages that will create public demands for better scientific/technological arrangements by government, by the academic institutions, and by industry."

Unquestionably, the nation has been ill-served in the way science has been administered. It is equally clear that these maladroit policies will, unless changed, do even greater harm to the national welfare. Based on my interviews, I think several steps should be taken.

The Science Adviser should be restored to the White House, where his counsel will be directly and immediately available to the President.

The Federal Council on Science and Technology should be revitalized because it has the potential for making a significant contribution to the nation's well being. But the potential can be realized only if chairman Guy Stever forces the Council to turn from pedestrian matters to major questions and if he requires the member agencies to assign top-level representatives to the Council instead of fourth-echelon people as is now the case. Dr. Stever cannot do this unless President Nixon gives him enough clout to chair the Council more aggressively.

Congress should move rapidly to get its new Office of Technological Assessment into full operation. Then it should utilize OTA fully to make it less likely that members legislate unwisely or get locked into premature public positions on science matters.

Scientists and engineers should use their professional organizations to participate in the political decision-making process, alerting Congress and the Administration to possible problem areas, proposing remedial actions, taking public stands on issues related to science and technology.

But most of all, the federal government must for the first time in history frame an overall policy that eliminates crash-basis science, erratic funding, and submission to faddish enthusiasms, and that substitutes consistency, continuity, balance between research and application, and long-range planning relating science/technology to national needs and goals.

After examining the American house of science, I came away troubled. The fine, old structure has cracks in the underpinnings, mildew on the walls, leaks in the roof. But if the defects seem more distressing than some who dwell in the house judge them to be, they are not yet fatal. The structure is yet repairable. What remains to be answered is whether the residents will agree in time on comprehensive rehabilitation and will take up the tools to make repairs intelligently and promptly, or whether they will vacillate and dissipate their efforts in piecemeal approaches that delay, but do not prevent, the decay that must eventually leave them—and us—out in the cold.

THE CONSTABLES OF BROTHERS, OREG.

Mr. HATFIELD. Mr. President, in the wide open spaces of eastern Oregon, the towns are often some 100 miles apart, and often there is not much civilization between. On one stretch of highway from Bend to Burns, however, Nell and Clayton Constable make life more pleasant for travelers, as well as for the people living on ranches and farms in the country surrounding the little town of Brothers, Oreg.

Recently, a reporter for the Bend Bulletin visited the Brothers store and talked with the Constables about their business serving the people of central and eastern Oregon.

I ask unanimous consent that this interesting article, by Ila Grant Hopper, of the Bend Bulletin of March 27, 1974, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BROTHERS STORE IS SOCIAL CENTER OF CENTRAL OREGON HIGH DESERT

(By Ila Grant Hopper)

Nell Constable wiped her hands on her apron and smoothed her dark brown hair.

"No, we certainly don't get lonesome," she smiled. "Our neighbors come here to visit, or to pick up their mail, or buy a few groceries. We've had the store 15 years now—and our roots are here on the desert."

Her husband, Clayton, nodded. He's 63. Nell's 59.

"Brothers may be out in the middle of nowhere," he drawled. "But sometimes, it's just like Grand Central Station. Course, I've never been to Grand Central Station."

The Constables' country store, about 55 miles east of Bend, is the social center and community hub for some 40 families who live on cattle ranches on the Central Oregon high desert. Brothers is one of the few wide spots on the 132-mile stretch of road between Bend and Burns. It is 16 miles east of Millican, and 21 miles west of Hampton.

It was a slow day. Two or three women from the State Highway Division maintenance station just east of the store had stopped in on a variety of business. One borrowed a frying pan to try a new receipe for almond roca.

"You have to have a good, thick pan so you can melt the butter but keep it from burning," Nell explained. "Here, try a piece of my candy. I just made it this morning."

Another of the "girls," as Nell calls them, brought a persimmon to be stored in the freezer.

A little bell jingled and the door burst open. A 12-year-old boy, one of the nine pupils at the school across the road, reached in the pocket of his faded blue jeans to make sure his lunch money was still there.

"I'd like a hamburger, if you please, Mrs. Constable."

"Ready in a minute," Nell promised.

The bell jingled and the door opened again. The noon-hour rush was on.

This time it was Bob Williams, the state patrolman who covers the area.

"What's the special of the house today?" he asked.

"We thought you'd be along today."

The latter comment came from the end of the counter. It was offered by Lewis Constable, 24, the youngest of the Constables' four sons. Recently he and his wife, Marilyn, joined his parents in operating the store.

"Mom baked a fresh rhubarb pie, 'specially for you," Lewis said.

"Sounds good," Williams agered. "I'll start out with a hamburger deluxe."

Nell Constable is a famous cook. Tourists who frequent the desert to hunt deer or search for rocks and arrows often plan to reach Brothers at meal time.

"How's the gasoline business?" Williams asked, straight-faced. "I might be able to line you up some customers from Bend."

Years ago, Clayton was service manager at a Bend garage.

"Don't do much mechanical work any more," he remarked. "Just enough to get 'em down the road."

Clayton keeps the 30-cup coffeemaker purring like a new Cadillac.

"Takes up to 10 pots a day in summer time," he said. "In winter time, we get by with three or four."

"We're real busy from the first of May

through November," Nell explained. "When we need extra help, the girls from the highway station give us a hand."

During the busy season, the store is open seven days a week—from the time the mail truck stops enroute to Burns at 7 a.m., till 8:30 or so in the evening.

"We get lazy in winter time," Nell said. "We turn off the grill at about 6:30 in the evening, and we don't open up on Sundays."

When business is slow, there's more time for socializing. Every morning there's a kaffee-klatch. Sometimes six or eight mothers stop in after bringing their children to school.

"We have a card party about once a month at the school," Nell said. "And the community barbecue, in the fall, is the highlight of the year."

The school Christmas program and eighth-grade graduation are big deals, too. And "once a year or so" there is a dance at Pringle Flat, 12 miles north of the school.

The Constables picked up the thread of the conversation, as customers and visitors came and went. Frequently the phone rang.

"We have the only phone in Brothers," Nell explained. "So the store is sort of a relay station for messages. In emergencies, we deliver them in person."

"It's a pretty close-knit community," Clayton commented. "We all help each other in a pinch."

The Constables admit that running the country store is demanding, and there aren't many vacations. Nell made a trip to North Carolina five years ago, and last year she spent a few days in California. She regrets not being able to visit oftener with her three older sons and their families.

Del (DJ) is 41, and a district oil company manager in Los Angeles. Kenneth, 39, is an Army lieutenant colonel in Iran. Don, 32, works for General Electric Co. in Los Angeles.

The Constables have seven grandchildren. Constable was born in Prineville, and Nell came to Bend at the age of 12.

"I guess you have to love the desert to live out here," Clayton commented.

"It's a rewarding life," Nell said. "I can't think of anywhere I'd rather be."

SOME FORGOTTEN AMERICANS

Mr. EAGLETON. Mr. President, last week 30 million Americans received a badly needed and too long delayed 7-percent increase in social security benefits.

In order that those aged, blind, and disabled persons who receive supplemental security income payments should also have a cost-of-living increase, late last year Congress enacted legislation increasing the SSI payment levels—initially set at $130 for an individual and $195 for a couple—by approximately 7 percent, or to $140 for an individual and $210 for a couple.

The SSI increase was made effective in January. However, because it was not possible for the Social Security Administration to make the increased payments in January, SSI recipients received January payments at the $130–$195 levels. In February SSI checks were increased to $140–$210 levels, and the February checks also included retroactive payments for the month of January.

Thus, the 3.2 million recipients of supplemental security income should have received in February the cost-of-living increases that other social security beneficiaries have received this month.

But, sadly, Mr. President, more than a million SSI recipients across the country—those persons who also receive State supplementary payments—have not had any increase in income.

This has occurred because, under Federal law, the States have been free to reduce their payments to the aged, blind, and disabled by the amount of the SSI increases received in February. Federal law requires only that the States make payments to persons who were on State assistance rolls in December 1973 in an amount that will insure their total income is no less than it was in December 1973.

Last November, when the Senate considered H.R. 3153, I offered an amendment that would have required the States to "pass through" the SSI increases to their aged, blind, and disabled citizens. My amendment was adopted by the Senate, but it has since been languishing, along with other important provisions of H.R. 3153, in a conference committee.

Mr. President, I make these remarks today simply so we may be reminded that many of the aged, blind, and disabled who have suffered most from the continually increasing cost of living and who most needed an increase in income have not received the benefit of the increases provided by Congress.

In my own State of Missouri, some 77,500 aged, blind, and disabled persons are this month still receiving only that level of income they had in December 1973. The SSI increases—$10 for a single person and $15 for a couple—have simply been absorbed by the State.

Let me cite a hypothetical, but typical, example of what has happened to too many SSI recipients in Missouri and elsewhere.

In December 1973, Mrs. Jane Doe received a social security benefit of $110 and an old age assistance check in the amount of $85, for a total income of $195.

In January, in addition to her social security benefit, Mrs. Doe received $40 from SSI and $45 from the State. Her total income remained $195, as required by Federal law.

In February, Mrs. Doe's SSI check was increased from $40 to $60, representing a $10 increase for the months of January and February. Her State supplementary check was reduced by $20 in order to recover the $10 she was "overpaid" in January. Mrs. Doe's $10 SSI increase vanished into thin air.

In March, her SSI check dropped back to $50 and her State supplementary check stabilized at the $35 required to maintain her December 1973 income of $195.

Now comes April, the month of the long awaited social security increase. Mrs Doe's social security check is increased from $110 to $118. Her SSI check is decreased from $50 to $42. Her monthly income remains $195.

During the first 4 months of 1974, Mrs. Doe's three checks have gone up and down, month after month, in a way that is exceedingly difficult to explain or to understand. But the net result is simple—she has had no increase in income.

Mr. President, had my amendment been approved by the conference committee, more than a million Mrs. Does across the country would now be enjoying a small, but sorely needed, increase in monthly income. As it is, they must struggle to make an income inadequate in 1973 cover 1974 prices of food, fuel, and other necessities. Little wonder if these Americans feel they have been forgotten.

Even without enactment of my amendment, State legislatures may still act voluntarily to insure that these people have the benefit of future increases in Federal benefits. The next increases will come in July when social security benefits will be increased by 4 percent and SSI payments will be increased by $6 for an individual and $9 for a couple.

I am happy to be able to report that the Missouri Legislature recently enacted legislation that will permit 54,000 aged, blind, and disabled persons to receive the July SSI increases without having their States check reduced. Even so, another 23,500 people who do not qualify for SSI but receive only State supplementary payments may have their State payments reduced as a result of the July social security increase.

Mr. President, I ask unanimous consent that articles from the St. Louis Globe-Democrat and the St. Louis Post-Dispatch describing the action taken by the Missouri Legislature be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the St. Louis Globe-Democrat, Mar. 23, 1974]

BOND OPPOSES WELFARE BILL IN PRESENT FORM

(By Les Pearson)

Gov. Christopher S. Bond wants to cut state supplemental welfare payments to the aged, the blind and the disabled, and for that reason is opposing in its present form a bill pending in the Senate, his office said Friday.

The bill, to be heard Tuesday, would require the state to continue payments at their present level, regardless of any federal aid increases. Bond wants to pay just enough out of state funds to keep combined state-federal payments from falling below their December, 1973 level.

But House Democrats say they will oppose any Senate changes in the measure, which officials say must be passed by March 31 to avoid the loss of $65 million in federal Medicaid funds for Missouri.

Alan Woods, Bond's chief of staff, said, "we're not for that bill as it stands now in any way, shape or form."

Welfare Director Bert Shulimson said the bill as originally introduced by Rep. Russell Goward (Dem.), St. Louis, would meet federal requirements. But a House committee headed by Goward added the provision that state payments should not be reduced.

Charles Valier, Bond's legislative aide, told Goward the governor would veto the bill in its present form, Goward said. But Valier said he told Goward that the governor objects only to the form of the bill.

Goward told The Globe-Democrat he will oppose any Senate effort to change the bill.

Woods said Attorney General John C. Danforth's office has not yet formally notified him or the governor whether legislation is needed to meet federal requirements.

But Assistant Attorney General Kermit Almstedt, who has researched the question, told The Globe-Democrat, "If there's no legislation by March 31, we're out a lot of money."

Robert R. Northcutt, chief counsel for the

Division of Welfare, said the original bill, which Bond's office has said he will support, will meet the federal requirements.

The state will save about $5 million a year if it can reduce its supplemental payments, as federal payments are increased, Northcutt said, but House Democrats have insisted welfare income of recipients be increased as Congress approves additional benefits.

For example, suppose the December, 1973, level for a welfare recipient was $150 a month in combined state-federal payments, and the federal payment in the future is increased by $10 a month. Under the pending bill, the $10 would be added to the $150, bringing the total to $160. Under the Bond proposal, the state payment would be reduced $10 and the total would remain $150.

The categories involved were taken over by the federal government last year, although state supplemental payments are required by federal regulations.

Charles Valier, Bond's legislative aide, said the takeover by the federal government was intended to relieve states of the responsibility in those welfare categories.

He said the governor wants the flexibility to end state supplemental payments in cases where it is warranted.

Shulimson said he and Northcutt will appear before the Senate committee to explain that, in their view, some legislation is needed.

But both said the original bill is sufficient to meet federal requirements. They said they will take no position on placing a floor under state supplemental payments unless instructed to do so by the governor.

[From the St. Louis Post-Dispatch, Mar. 29, 1974]

SENATE PASSES WELFARE-HIKE BILL BOND HAD OPPOSED

(By Fred W. Lindecke)

JEFFERSON CITY, March 29.—About 54,000 aged, blind-and disabled persons will get a small increase in welfare benefits July 1 if a bill passed by the Legislature is signed by Gov. Christopher S. Bond.

However, the bill was included on a hitherto secret list of bills that the Governor had asked Republican legislators to block.

The Federal Government is scheduled to increase welfare benefits by $6 a month for a single person and by $9 for a couple beginning July 1.

The bill sent to Bond by the Senate yesterday would prevent the state from cutting its supplementary payments to these welfare recipients by the same amount.

Current state law requires the state to cut its benefits by whatever amount the Federal Government increases its allotments. Bond tried to keep this provision in the new bill, an amendment to do so was defeated by the Senate, 16 to 13.

If Bond signs the bill he would have to add $5,200,000 to his budget for the fiscal year beginning July 1 to pay for the benefits. The budget presented did not contain these funds, on the presumption that the current law would be followed and state supplementary payments cut.

Bond is under pressure to sign the bill by Sunday because the measure contains provisions necessary to comply with certain federal demands. The state is threatened with loss of $40,000,000 in federal welfare funds unless the deadline for enactment is met.

However, an aid to Bond charged that the refusal of the Senate to accept Bond's changes might have left the welfare bill flawed to such an extent that payments under it would not be legal.

Welfare recipients to whom the bill's provisions would apply include only those aged, blind and disabled persons who were on the welfare rolls last December.

Last year, the Legislature passed the law that gave these aid recipients supplementary state payments to protect them from loss in benefits when the Federal Government took over welfare categories on Jan. 1 of this year.

Persons who began receiving the new federal welfare benefits after Dec. 31, 1973, are not eligible for the supplementary payments. The July 1, 1974 increased federal benefits will apply to all recipients. But those persons receiving the state supplement will not gain income if the state law is not changed.

WELFARE REFORM

Mr. THURMOND. Mr. President, the reform of our welfare program has been the subject of considerable interest in recent years. It seems that this area is one in which confusion and inequity abound, leaving us with a program which, in addition to failing to reach its goals, is actually proving to be counterproductive in many cases.

In order to legislate effectively in this or any other area, it is vital that we in the Congress be well informed. For that reason, I ask unanimous consent that an article which appeared recently in the National Review be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From National Review, Jan. 18, 1974]

THE WELFARE DOLLAR GOES 'ROUND AND 'ROUND

(By Clayton Thomas)

The welfare rolls in the United States currently number 15 million Americans, and the annual cost is approximately $20 billion. But welfare is not just statistics. It is synonymous with poverty, and poverty means drugs, crime, and deteriorating cities. A drug addict dies on a lonely Harlem street. A building superintendent bashes down a door in a dank tenement and rapes a woman. A welfare mother screams obscenities because she cannot get the money to feed her children.

Despite the massive social and economic effects of welfare, no solution seems forthcoming, partly because sharply conflicting analyses logjam reform. Liberals see the problem as economic: those on relief are excluded from the mainstream, unable to help themselves; higher payments are in order. Conservatives see the problem in moral terms: those on relief are "cheaters" and "loafers"; financial cutbacks and stricter regulations are in order.

Some of the contradictory attitudes are no doubt illusions believed by various people for politcal or personal reasons. My own opinion is that there are indeed many myths about welfare, and that these must be exploded before a solution to the problem of public assistance can come into sight. Among the most significant are these:

Welfare is an economic phenomenon caused by a lack of jobs.

The rapid growth of Northern welfare rolls results from the immigration of blacks and Puerto Ricans who, frustrated in their search for jobs, are forced onto the welfare rolls.

Welfare clients are disabled by their social environment and will leave the relief rolls when they are given better housing, education, job training.

Welfare clients are not loafers, cheaters, and baby producers, and their aspirations and values closely resemble those of middle class working people; but because of social deprivation and alienation, they have never had the opportunity to get jobs and become self-sufficient.

UNEMPLOYABLE

During a year as a caseworker in the New York City Department of Social Services (formerly known as the Welfare Department), I dealt with hundreds of welfare clients—black, white, and Puerto Rican—in all welfare categories. I pounded the pavements of hard-core ghettos and visited dilapidated tenement apartments, welfare hotels, and boarding houses. My own experiences did not support the above myths.

Although welfare regulations required that single employable individuals (Home Relief) look for jobs, only two of the 60 on my caseload made any effort to find work. The rest turned down employment, avoided interviews and job training like the plague (they usually got sick on the day of their appointment with prospective employers or job counselors), and tried desperately to produce medical excuses indicating that their ability to work was limited or that they were incapacitated.

In one case, a white welfare client admitted to me that he was physically able to work, and he subsequently passed a city health examination with flying colors. Then, apparently panicking at the thought of a job, he brought in a letter from a physician stating that he had numerous ailments and was not employable. (The doctor who had written the report specialized in welfarites and mentioned that this patient would be coming to him for a substantial amount of treatment.) The welfare department, fearing legal suits if they made the man work and it turned out that he really was ill, decided to classify him unemployable. When I asked him about his sudden change in health, he merely looked at the floor, shuffled his feet, and said nothing.

A Puerto Rican male on my caseload, classified as employable until he brought a letter from a doctor alleging a disabling kidney ailment, somehow maintained an excellent wardrobe; once he was picked up by the police for robbery and held for five days; after his release he explained to me that "I had no idea this friend of mine standing next to me in the department store was stealing all that stuff. I thought we were just going in to do some legitimate shopping."

In another case of health impairment, a white client had been badly slashed with straight razors and left for dead on a desolate street. After intensive hospital care he recovered, but he claimed that the psychological effects of his "accident" incapacitated him for work. By his own account, however, he did have the energy to hunt down black and Puerto Rican addicts and beat them with a lead pipe. (He was eventually arrested and held on $20,000 bail.)

Fifty-seven of my 60 Home Relief recipients had no job histories within the previous three years that I could verify, and only two could qualify for unemployment benefits. When I suggested to one client, who had complained that he could not find work, that he might be able to get a position as a janitor, he replied, "You can go ——— yourself, Mr. Thomas, if you think I'll do ——— work like that." This man, who had deserted his family, eventually found a job of his own; he sold narcotics.

Most of these clients came in off the streets and were narcotics and cocaine addicts, alcoholics, and prostitutes (male and female). Others were referrals from hospitals (often addicts) and prisons (usually addicts and/or pushers).

Home Relief clients and narcotics addicts were the most dangerous to deal with, and employees in my center were periodically beaten for refusing to give them funds to which they were not entitled. On the other hand, the welfare center's guards frequently beat up recipients (usually frail ones), and one floored a female supervisor one day with a punch in the face. Another was arrested

for selling heroin to the welfarites. Though nearly all of them were black or Puerto Rican, they hated the recipients and the system itself. One, a Negro, told me, "Rockefeller and Lindsay give these ——— assistance, but they won't give us a decent salary. The best way to clean up this city is to assassinate the mayor."

Welfare mothers had fundamentally the same attitude toward work as the Home Relief clients. Nor were they interested in gaining employment skills. Only one of 30 mothers on my caseload could be persuaded to apply for the Work Incentive Program (WIN), then voluntary, which granted cash incentives and baby-sitting fees to trainees, and only gradually reduced a woman's welfare payments once she found a job. Of those who enrolled in WIN citywide, only 10 per cent finished the course; of these, only a small number took employment. Why such a poor success rate? In my opinion, many mothers enrolled only for the extra cash and for a variation in their daily routine. Then, as time went on, they began to resent the restriction on their freedom, and they quit. A mother of four told me, "I'll go to school or job training, but I don't want to work."

From such experiences, I concluded that supplying more jobs would hardly resolve the welfare problem, or even significantly reduce the rolls. On the contrary, the rolls would remain static, because the vast majority of welfarites would do whatever they could to escape the employment created for them.

How, then, do sociologists manage to conclude that welfarites want to work? My guess is that, after years of interrogation by their caseworkers, welfare clients know full well what values they are *supposed* to have, and how they are supposed to respond to questions posed by middle class interviewers. When asked how he feels about working, the client automatically responds, "I want to work." I ran into this phenomenon constantly on my job; some recipients even falsified their life and work histories according to what they felt was expected of them, and I often held erroneous views of a welfare family's status because of the fabricated answers I got. Researchers do not realize that welfare clients feel psychological pressure to conform, or to pretend to conform, to traditional middle class values.

MIGRATING TO JOBS?

Another mistaken theory, as I mentioned, is that blacks and Puerto Ricans generally came north in search of employment, and were instead forced onto the relief rolls by the shortage of jobs. My own experience is that they generally migrated specifically to get public assistance. Two years ago, when food budgets in New York were reduced 10 per cent by the state legislature, an irate mother of five told me, "If you people keep cutting back the budgets, I'll tell my relatives in Puerto Rico not to come over here." A black client told me, "I want to go back to the South, but the welfare there is way too low. The only way I would do it is if I got my New York welfare checks sent down to me in South Carolina." When I told her that was impossible, she decided to stay in New York. A carload of prospective clients drove straight through from California and arrived, one day, at the front door of my welfare center, got out of their jalopy, and got right on the rolls. They made no bones about it. Ronald Reagan was cutting back welfare in California, and they had come to New York for higher payments.

Many advocates of welfare fail to realize that migrants from the South and Puerto Rico are far better off in New York slums than in the hovels from which they came (four to eight times better off, in dollars). But the point is not lost on the South and Puerto Rico. A white welfare employee with friends in Mississippi and Louisiana told me, "The Southerners are laughing in their boots as the blacks flow north for welfare. They're only too glad to let us have them." And the local government in San Juan has erected signs in the slums: "Go to New York and Have the Baby Free."

WHAT CAUSES SLUMS?

The civic-minded, alarmed by the degradation in which welfarites live, often call for new housing. The usual assumption is that dilapidated neighborhoods result from the negligence of slumlords. But I found the primary reason the sheer active destruction by tenants themselves. A member of the mayor's Hotel Task Force, who spent his time rehousing hotel welfarites in apartments all over New York, told me; "The continuing decay of the city and the condemning and razing of city blocks is due to welfare recipients. The working poor have a stake in their property, and they care for their homes. Welfarites don't. They know that whatever happens, the welfare department will take care of them." Welfarites, I found, move into neighborhoods, bring crime and violence, rout the working poor and middle class, occupy the buildings, then physically destroy them. The process takes only a few years; the cycle merely begins anew when welfarites are moved to new housing, as is now happening with low income model housing and Model Cities buildings.

How does the destruction occur? One family with 12 children was rehoused four times. Each time, one of the children, a firebug, burned down their accommodations. In another case, a mother of four who wanted better housing simply burned her own apartment down. A physically ill welfare client who had lived four years in the Hamilton Hotel, one of the first of a series of welfare hotels to be condemned in the city during 1971, gave this account of how his building deteriorated: "About a year ago, the management formally opened the doors to welfare to get more money. That was the end of the place. The clients burned out whole wings of the structure. Most of the people are addicts and prostitutes. We have muggings and murders in the hallways. The junkies ring the fire alarms to attract the guards to one area of the building and then break down doors, beat and rob people in another. I've seen the kids bashing away at the marble on the walls with hammers." Why do they do that? "For the same reason that people climb mountains. Because they're there. These people aren't civilized enough to live in organized society." A black welfare recipient who lived in the Broadway Central Hotel told me: "Last week they gang-raped the maid on the seventh floor, and two nights ago a seven-year-old was raped on the fifth. I can take the rats, Mr. Thomas, but I can't take the people. I have to barricade my doors at night to stay alive." Equally shocking accounts were given me by members of the Hotel Task Force.

In order to visit the homes of my welfare clients, I entered what were, undoubtedly, some of the most dangerous neighborhoods in the world—the South Bronx, Harlem, and East New York. I dodged addicts in doorways, confronted heroin users about to "shoot up," and was followed through lonely streets by muggers eager for my wallet. Other caseworkers in my center were less fortunate; they were assaulted, robbed, and in one case, held down on the top floor of a dilapidated building and injected with heroin. It is hard for most of us even to imagine the day to day terror in which slum residents live. One family, living in a building that seemed to be on the verge of collapse, told me: "The addicts trade drugs and shoot up every night in our building. Last week we heard a bad fight in the hallway at about 3 A.M. The next morning, when we got up, a corpse blocked our front, door. The man had been stabbed to death." I once ran for my life from a hotel, pursued by one of my own clients, a huge, crazed black man who assaulted and robbed the other tenants, but was tolerated for a time by the terrified couple who ran the place.

Reform-minded people often hope that better schooling for the children of welfarites will prepare them for jobs and a decent future. But unfortunately the decline of ghetto schools, has paralleled the rise of the welfare rolls and the expansion of slum areas. The role of the teacher is no longer to teach, but to maintain at most minimal order; as one teacher put it: "My two jobs are to keep myself alive and to keep my students alive." Drugs, crime, and violence permeate the junior high and high schools in poor neighborhoods. A talented 12-year-old welfare child, going to a half-black and half-Puerto Rican junior high school in Manhattan, said: "I keep quiet in the classroom and don't make trouble. That way the teacher gives me Bs. The troublemakers get Cs and Ds. Whatever I learn, I learn on my own. I'm under a lot of pressure to take heroin, and kids try to beat me up because I won't. The high school I'll end up going to is worse. I hang out with the white kids, who get in much less trouble." A Puerto Rican mother, whose two children attend a primary school in the South Bronx, told of a gang war among 12-year-olds that resulted in one child's being shot in the face.

To exacerbate the situation, poor parents have recently grown self-righteous and militant toward established authority. Discipline is next to impossible. One teacher told me: "Whereas, in the past, parents would be angry at their children when they got into trouble at school, most blacks and Puerto Ricans vent their hatred on the system when the kids do something wrong. The children are rarely taken to task."

ABUSES UNCHECKED

A recent survey revealed that the working American tends to see welfarites as loafers, cheaters, and baby producers. Despite the protestations of many social commentators and politicians that this is an unfair stereotype, my own experiences support this view. Cheating was virtually universal. One mother of six, who had secretly moved to New Jersey, came into the city for over a year to collect undeserved public assistance checks at a Manhattan mailbox. Several of my clients held fulltime jobs they had not acknowledged. Others were getting financial support from boyfriends or fathers of their children and did not report it. Some recipients had gotten on the rolls at a number of different welfare centers and were receiving from two to six checks at a time.

The computer checkup system which was designed to detect such abuses was in a state of chaos. Even when fraud was somehow discovered, welfare officials in my center, fearing that they would be held responsible, took no action against the offenders and quietly ordered the records sent to the dead files.

In one case of gross embezzlement, a supervisor was so infuriated he decided to prosecute; but when he brought his evidence to the courthouse, the Assistant District Attorney asked him to drop the charges, explaining that the strong support the clients would get from groups like the Legal Aid Society would make the litigation interminable. Besides, he added, his office had to deal with more important criminal cases than welfare offenses. The charges were dropped. Two days later, the family was back at the social service center demanding assistance. Payments were quickly resumed.

In most court cases, ironically, it was not the welfare department but clients themselves who did the prosecuting. One man who had concealed an income double the amount of his welfare payments demanded, upon being detected, a hearing. He flatly denied the facts, which welfare officials proceeded to establish. The court ruled against the client, who, enraged, threw a chair at

the judge. A supervisor then had to grab the recipient in a hammerlock to prevent further violence.

The "missing" father of a welfare family turned out to be living at the family address, fully employed, and claiming the family as dependents on the tax form. Armed with full proof, the caseworker terminated the mother's checks—whereupon she demanded a hearing. She claimed in court that her husband had deserted her since the termination. The welfare department, caught off guard, had no way of proving otherwise. Payments were ordered resumed. When the husband's name was referred to the Division of Legal Service for tax evasion, the detectives showed no interest in pursuing the matter. Contrary to City Hall press releases, the Legal Services Division showed the same reluctance to track down missing fathers of welfare children.

These cases typify the casual fraud and belligerency of welfare clients, but they also point up the fantastic craving of welfarites for their checks and the difficulty of getting them off the rolls. Welfare has become a social right as unchallengeable as the right to life itself. Such fraud was actively assisted by the mayor's aides. Pro-welfare organizations, like Mobilization for Youth and the West Side Community Alliance, constantly put pressure on the city to give illegal grants to bitterly vociferous clients. Lindsay's appointed political officials, especially Jule Sugarman and his associates at the Human Resources Administration (which governs the city welfare system), usually buckled and ordered the money handed out. In one case, a welfarite decided he wanted an apartment for which the rent was far in excess of normal public assistance levels. Rather than waste time with the welfare department, the man opened a small bank account and purposely bounced $450 worth of checks for the rent, security, and broker's fee needed to secure the accommodations. While the various defrauded parties considered legal action against him, antipoverty agencies pressured city administrators to help him out, and I was finally ordered to issue welfare funds to cover the bogus checks.

In another case, when a political aide authorized illegal grants of money to a public assistance family on my caseload, I asked the director of my welfare center to complain to the Human Resources Administration. He did. The response he got over the phone was "Lay off these people." The answer seems natural enough, since the welfare mother involved had a long list of appointed officials to call whenever she needed help. Once I was even directed to give money to an unauthorized alien who was being deported, even though welfare officials at my social service center admitted he was totally ineligible for funds.

Fraud is now harder than ever to expose, since the new income maintenance affidavit system has all but eliminated checkup visits to welfare homes. A prospective recipient simply comes into a welfare center, states his case, signs an affidavit form attesting that the facts he has given are true, gives some documented proof, and the checks start rolling off the computer. To qualify for further aid, he has only to reappear periodically to reiterate his need for funds.

When it came to reproducing children, welfare clients justified the worst suspicions of conservative cynics. Not only were there many children; in large families, there were often many fathers. Instances of deserting husbands were rare; transient boyfriends begot most of the children, and mothers usually claimed they knew little or nothing about their vanishing mates. Some children resulted from casual pickups. I had no success in getting any of the mothers on my caseload to practice contraception. Exasperated, I finally asked several Puerto Rican mothers if their resistance was on religious grounds; the answer was always a flat no. Most of the welfare mothers were single and knew about contraceptives; but apparently they just could not be bothered to use them.

The high birth rate would be less disturbing if welfare children were raised in a healthier atmosphere. But though a few mothers showed great concern for their offspring, most let their four-year-olds roam the streets unattended and left their children home alone. Physical violence and child abuse was commonplace. I observed whippings and clubbings of three- and four-year-olds, and saw one infant picked up and thrown across a room. One welfare mother's boyfriend would hold her five-year-old daughter's hands over the flames of a gas stove for punishment; eventually the child's fingers became maimed lumps of scar tissue. Another mother poured boiling water over her small son; the social worker told me that this was not a serious enough abuse to warrant placing the boy in a foster home.

Many social theorists think that a father's presence would help to stabilize public assistance families. Accordingly, the welfare department tried not to break up mothers and their lovers. But it is doubtful whether this theory is entirely realistic; in many cases, the presence of the lover was clearly a negative influence on the family, but the mother—out of loneliness, simple affection, or an inability to handle his brute force—did not put him out. One woman got a new hairdo and hat to celebrate when she heard that her common law husband had died in a gutter.

COSTS GROW AND GROW

Though welfare requirements in New York have been made more stringent over the past two years, the cost of the welfare program continues to grow. This is largely due to increasing rents and medical costs, and to the general inefficiency of the system; college-educated caseworkers have lately been replaced by incompetent, untrained, and often truculently lazy affidavit clerks, and the recently installed computer system is chaotically disorganized.

Moreover, the Lindsay administration's claim that the city's welfare rolls have stopped growing in the past year is hardly credible. The welfare employees I have talked to do not believe it. One told me, "While I'm not in a position to judge citywide, I've seen no letup over the past year and a half of people getting on the rolls. As far as I am concerned, the 'freeze' is merely statistical manipulation." This is in accord with my own experience as a caseworker: I kept close track of the activity in my center and during the periods when City Hall was claiming "zero" growth, I saw no change in the number of new cases accepted for welfare. To deepen the mystery, the *Times* reports that the middle class exodus from the city is continuing; it is difficult to believe that those who leave are replaced only by others who are employed rather than by welfare clients. Furthermore, poor Puerto Rican families continue to pour off the planes at city airports. If one accepts the administration's claim, it is hard to explain where these people are going and how they are supporting themselves. (The "freeze" may simply be an illusion created by the new system's inefficiency in registering new applicants and the computer's zeal in arbitrarily closing old cases.)

There are now various compulsory programs for those welfarites who are able to work, and the principles involved has found support in a recent U.S. Supreme Court decision. But even if the city had the will to enforce these, it would still lack the means. Besides, the programs are so inefficient as not to be worth their expense. The Work Incentive Program, for example, has succeeded in getting only 2 per cent of those mothers registered as eligible off the welfare rolls.

During the latter half of 1973, the retiring Lindsay administration has made a last ditch effort to influence federal policies and the new Beame mayoralty with its political attitudes toward welfare. Numerous statistics and studies have emanated from Jule Sugarman's office. One done recently by the Rand Institute and the city, and reported in the *Times* under the headline "Welfare Clients—Working When They Can," purports to show that approximately 40 per cent of the families on welfare in New York City have some family member working and use relief to supplement that income in order to survive. In addition, the study claims that the constant turnover of cases on welfare indicates the relief population is not a static mass of people, parasites on the public purse, but in large part a group of individuals who use welfare during periods of hardship when they are temporarily unemployed; 43 per cent of all welfare dollars, according to the study, go to such recipients.

It is my opinion that these statistics do not in any way represent the reality of welfare, but are fabricated and promulgated at the taxpayers' expense for political self-interest. Civil service welfare workers, throughout the late 1960s and early 1970s, groaned with dismay as dozens of misleading and falsified studies that bore no relation to the phenomenon of welfare within the welfare centers poured out of the Human Resources Administration.

The Rand study "findings" were derived from an analysis of the 12-month period ending June 1, 1970, a time when I was employed by the welfare department. Contrary to what was reported in the *Times*, it was my experience, and that of dozens of other employees I worked with, that families acknowledging an individual working were extremely rare (I would estimate at most 5 per cent). Over a one-year period, in all my cases, only one family member was employed. While I assumed that some mothers and older children held part-time jobs, their employment illegally supplemented their welfare budget and was not part of any positive effort to become self-sufficient.

The notion that close to half of all welfare dollars go to families and individuals temporarily out of work is equally preposterous. Over a 15-month period, ending September 30, 1973, of 64,000 welfare families monitored by New York State, fewer than 2 per cent became financially independent of welfare. This is certainly a poor showing for a welfare population of which the city claims almost half is merely between jobs. Nor does it corroborate the Rand study claim that a good 15 per cent of the families surveyed were independent of welfare at the end of the one-year period. On the contrary, it was my experience that welfare mothers got on and stayed on the rolls. They had insignificant work histories and virtually no motivation for employment. Of those mothers completing the lengthy WIN job training program and securing employment, 35 per cent quit or were fired within 90 days.

CAN WE DO ANYTHING?

What can be done about welfare? In my opinion, these steps must be taken before the welfare mess can be corrected:

Welfare must be federalized, and payments made uniform throughout the United States. The present disparity of grants encourages migrations of the poor that will in time destroy the cities of the North. The trend of recent years to assume that clients will be on the welfare rolls for good must be reversed, and the concepts of employment, self-sufficiency, and social responsibility must form the foundation of any new welfare legislation.

Welfare administrators must be given the authority and autonomy to enforce the system without interference from politicians and pressure groups. When welfare clients repeatedly told me to "——— myself" as I

tried to enforce regulations, they know they could get away with it because they had the support of the local political system.

Welfare payments to families should be frozen at current levels; mothers should realize that more children will not net them more money.

Employable single individuals and mothers should be made to work ;day care centers to be run by public assistance recipients themselves, should be established.

Work programs should not take priority over regular jobs in the public and private sectors; nor should the welfare departments assume the responsibility for finding welfarites regular jobs.

Welfare mothers must be required—as a prerequisite for public assistance—to supply information about the fathers of their children.

Rules and regulations in various areas of welfarites' lives (housing, schools, fraud, and embezzlement) must be tightened and enforced. Incidentally, the new rigor must be applied to blacks and Puerto Ricans as much as to whites; white administrators and politicians, I have found, often enforce higher standards for white welfare recipients than for nonwhites, apparently assuming the latter to be incapable of assuming responsibility or attaining self-sufficiency.

Built upon mythical foundations, twisted by power-hungry politicians, and deeply entangled by decades of labyrinthine bureaucracy, the current public assistance system threatens to remain a ludicrous farce of inefficiency, manipulation, and fraud. Through the kind of recipient it attracts and fosters, it is destroying our nation's cities, terrorizing the populace, disrupting the school systems, exacerbating racial hostility, and turning the middle class into a nomadic culture, constantly on the run from deteriorating neighborhoods, drugs, and violence. For the sanity and dignity of the people, poor, rich, and middle income, the issue of complete public assistance reform has to be revived at the federal level, and tough legislation must be passed and implemented through a totally new and rigorously administered welfare system.

ASSISTING SMALL BUSINESS TO COMPLY WITH THE OSHA LAWS

Mr. BIBLE. Mr. President, as chairman of the Select Committee on Small Business, I have consistently tried to make it possible for the small business community to be partners in progress rather than the victims of progress.

It was gratifying that the legislation which I first proposed in 1969, enabling SBA loans for general compliance with consumer, pollution, environmental, health and safety standards, became law on January 2 of this year as Public Law 93–237. Our committee has also worked over the years on other possible legislative and administrative proposals to make it practical for small businesses to live with government requirements.

One of the notable areas of difficulty in this regard has been the occupational safety and health law. This statute gave rise to a massive 330 page set of regulations that still has many businesses tied up in knots in attempts to comply.

A serious defect in the OSHA statute from the beginning has been the inability of the Federal Government to be helpful to the small firms constituting 97½ percent of the business population who may desire earnestly to meet the requirements of the statute within their available management time and financial means.

We have advanced and supported legislation to provide for onsite consultations to remedy this problem. I was gratified to note the recent introduction of a bill by a member of our committee, the Senator from Iowa (Mr. CLARK), proposing that the Small Business Administration be given authority to conduct the onsite advisory inspections.

I have been advised by the Department of Labor that the Department views with approval the authority contained in section (b) of the Small Business Act that:

It shall be the duty of the Administrator (of the SBA) whenever it determines such action is necessary—(1) to provide technical and managerial aids to small business concerns, by advising and counseling on matters in connection with . . . accident control. . . .

I ask unanimous consent that the correspondence to this effect from the Labor Department be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BIBLE. It was most encouraging that the 10th Biennial Convention of the American Federation of Labor and Congress of Industrial Organization (AFL–CIO) adopted a policy resolution stating that this great labor organization would accept an onsite consultative program for small employers provided that it was "financed to a separate budgetary request"; that is, separate from the administration of the OSHA law, and also that it "provides the same rights and protections for workers as are set forth in the inspection and enforcement sections of (that) act."

It seems to me that we now have some very welcome developments in this field.

I hope that the committees of Congress concerned will be able to move forward with these suggestions and bring a real measure of relief to the thousands of small firms who wish to comply with occupational safety and health requirements.

EXHIBIT 1

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, D.C., February 14, 1973.

Mr. JOHN H. STENDER,
Assistant Secretary, Occupatinal Safety and Health Administration, U.S. Department of Labor, Washington, D.C.

DEAR JOHN: The 10th Biennial Convention of the AFL–CIO held October 18-24 of this year unanimously adopted a policy resolution dealing with occupational safety and health. Copies of this resolution were given to your Special Assistant, Mr. Maywood Boggs, one of which he told me would be delivered to you. I understand that this was done.

I particularly wish to call to your attention that part of our policy resolution addressed to on-site consultative services. It reads:

"Accept any on-site consultative program for small employees only if it is separately financed and administered by an agency other than the Labor Department, provides the same rights and protections for workers as are set forth in the inspection and enforcement sections of the Act, contains penalties against its misuse to avoid compliance with the standards of the Act, and is financed under a separate budgetary request."

The AFL–CIO, therefore would oppose any legislation proposed, now or in the future, which would be counter to the above. Moreover, it would oppose with equal vigor any administrative proposal to accomplish on-site consultative services within OSHA.

I would appreciate your taking the opportunity to examine our statement dealing with on-site consultative services and giving us the benefit of your reactions at your earliest possible convenience.

Sincerely yours,

GEORGE H. R. TAYLOR,
Executive Secretary.

U.S. DEPARTMENT OF LABOR,
Washington, D.C., December 20, 1973.

Mr. GEORGE H. R. TAYLOR,
Executive Secretary, AFL–CIO Standing Committee on Occupational Safety and Health, Washington, D.C.

DEAR MR. TAYLOR: Thank you for your recent letter asking for my reaction to your policy resolution agreeing to on-site consultative programs for small employers if those programs are separately financed and administered.

My position is in strong support of on-site consultative service to assist small businesses in complying with safety and health standards. Even before affirming that stand during my confirmation hearings, I took an active role as a Washington State Senator in assuring such a provision would be included in my home state's occupational safety and health plan.

Under present law, the Labor Department is not authorized to offer Federal consultation in an employer's establishment without conducting an inspection at the same time. Where states have sought such authority, we have approved on-site consultation service in their plans, if it is shown to have separation from the mechanisms of enforcement sufficient to protect them against reduced impact.

While I am reluctant to offer an interpretation of laws that govern other agencies, to be fully responsive to your question, I feel I should point out a statutory provision that relates to your resolution. It is the authority found in the Small Business Act (PL 85–536, Section 8(b)) which empowers the Small Business Administration in making available "technical and managerial aids to small-business concerns" to provide advice and counsel on "accident control."

The pertinent provision follows:

"It shall also be the duty of the Administration and it is hereby empowered, whenever it determines such action is necessary—

(1) to provide technical and managerial aids to small-business concerns, by advising and counseling on matters in connection with Government procurement and property disposal and on policies, principles, and practices of good management, including but not limited to cost accounting, methods of financing, business insurance, accident control, wage incentives, and methods engineering, by cooperating and advising with voluntary business insurance, professional, educational, and other nonprofit organizations, associations, and institutions and with other Federal and State agencies, by maintaining a clearinghouse for information concerning the managing, financing, and operation of small-business enterprises, by disseminating such information, and by such other activities as are deemed appropriate by the Administration;" (emphasis supplied)

I hope the foregoing is helpful to you and your colleagues in furthering the common concern of labor, management and government to end injury and illness in the American workplace.

Sincerely,

JOHN H. STENDER,
Assistant Secretary of Labor.

U.S. DEPARTMENT OF LABOR,
Washington, December 20, 1973.

DEAR SENATOR BIBLE: Because of your recognized interest in helping small businessmen comply with occupational safety and health standards, I felt the enclosed letter from Assistant Secretary Stender would be of interest to you.

If you have any questions or require additional information, please let me know.

Sincerely,

BENJAMIN L. BROWN,
Deputy Under Secretary for Legislative Affairs.

INTERIOR DEPARTMENT OUTSTANDING SERVICE AWARD MADE TO OREGON MAN

Mr. HATFIELD. Mr. President, recently the Interior Department recognized the outstanding contributions made in energy conservation by the Bonneville Power Administration under its able administrator, Don Hodel. Hodel was presented with the Outstanding Service Award of the Interior Department.

While I know how widespread the efforts were throughout BPA to provide leadership in energy conservation, Don Hodel provided the catalyst in directing BPA efforts throughout the Northwest. I congratulate Don Hodel on this recent award, and I also thank the many other employees of BPA who contributed to the energy conservation efforts.

I ask unanimous consent that the announcement by the Interior Department be printed in the RECORD.

There being no objection, the announcement was ordered to be printed in the RECORD, as follows:

DONALD P. HODEL WINS INTERIOR'S OUTSTANDING SERVICE AWARD

Secretary of the Interior Rogers C. B. Morton has honored Donald Paul Hodel, Administrator of the Bonneville Power Administration, with the Department of the Interior's Outstanding Service Award.

James T. Clarke, Assistant Secretary for Management, made the presentation Friday (March 1) at the Bonneville Power Administration headquarters in Portland.

The award is the highest presented by Interior for executive accomplishment by a non-career Federal employee, Clarke said.

This is only the sixth time the award has been made and the Hodel presentation is the first for energy conservation. It was presented to Hodel in recognition of his leadership in developing a highly successful energy conservation program during the 1973 drought in the Pacific Northwest.

Many of the energy conservation actions developed then have since become models for the nation, Clarke pointed out.

As early as April 1973, Hodel outlined steps in curtailing nonessential electrical use in all BPA field installations. Joining with the General Services Administration, he made the once-brightly lighted BPA building a symbol of power conservation. Significant savings were attained through reductions in lighting, daytime janitorial and maintenance services, temperature regulation and careful operation of energy-consuming equipment.

Then came Toastmasters and Toastmistresses. These ardent public speakers became the nucleus of a corps of BPA speakers, including Hodel, who urged energy conservation before 124 school groups, service and civic organizations.

From July through December, 1973, internal BPA energy economies resulted in average power savings of 14 per cent throughout the Bonneville system, including an average 25 per cent cutback in the Portland headquarters building.

Based upon load forecasts, total savings in electrical energy averaged nearly 7 per cent throughout the Bonneville Power Administration service area in the September-December period. These voluntary efforts by all segments of the utility industry, augmented by heavy precipitation in late 1973, averted a serious power shortage, Clarke said in his citation. By late January, 1974, BPA and Northwest utilities were supplying large blocks of power to fossil-fuel deficient utilities in the Pacific Southwest.

CONTRASTING DEFENSE AND COMMERCIAL BUSINESS

Mr. McINTYRE. Mr. President, when the defense budget reaches the $90 billion level—which it has this year—we have increasing interest in how to do our defense business, whether we are doing it in the most effective way, and whether we can use business procedures to save the taxpayers money.

The April 1, 1974, issue of Aviation Week and Space Technology has an interesting editorial on this very subject by Mr. Brainerd Holmes, executive vice president of the Raytheon Corp.

Mr. Holmes, who has an extensive background both in government and industry addresses the marked differences between defense and commercial business as they impact on industry. I consider his views worth consideration and therefore, Mr. President I ask unanimous consent to print this editorial by Mr. Holmes in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CONTRASTS IN DEFENSE BUSINESS

The challenge of charting the path to truly cost effective system acquisition is formidable, but let us make a beginning by examining some of the differences—and similarities—between commercial business and the defense business to see if there are lessons to be learned.

Industry responds to its market. It responds differently to the commercial market than the defense market because the demand is not the same. There is indeed a fundamental difference in the process by which commercial products are conceived, developed, produced and sold as opposed to the cycle for a defense product. And there is no question but that the commercial product is brought to market in a more efficient and timely manner. Nor is there any question that the manager's approach is different for the two classes of products.

In the commercial arena he is on the offensive, driving toward simplicity, eliminating non-essentials, tailoring his product to the lowest cost that will meet the minimum requirement for a particular segment of the market. He has a wide latitude to make timely management judgments to accomplish this end.

Contrast this with the program manager for a modern weapon system. His product is designed to meet the most exotic threat; it is highly sophisticated and automated to compensate for unskilled or low-skilled operation and maintenance. The manager must spend untold manhours in justifying and defending costs, designs, systems procedures and even basic management decisions. Small wonder that this produces a defensive-minded manager. His drives are directed at meeting the specification. Involved decision and approval procedures introduce costly delays that negate savings, which timely implementation would have produced. In weapon system acquisition, we have built a system that tends to inhibit the managerial skills that we admire and respect in the commercial manager. And we pay a penalty—for this philosophy is not calculated to get the product to market at the lowest possible price.

Before I am accused of finger-pointing myself, let me hasten to say that our industry must bear with the military a share of the guilt for this self-defeating syndrome of over-speculation, over-control and over-involvement of the customer in the management of our business. Because of our fear of being eliminated from the competition if we take exception to unrealistic specifications because of our own desire to operate on the leading edge of technology and to produce the most sophisticated equipments, we have contributed to the proliferation of these wasteful practices.

I do not for a moment intend to suggest that we ignore the unique nature of the defense industry. It is different. Many of the requirements are absolutely essential to meet threat. They cannot be eliminated regardless of the cost. But we can define the threat, and we can determine what portion of our resources we can allocate to meet that threat, and we can design our product to do the job with the resources provided. We can because we must.

How?

Not by simply declaring that the defense market is just another market that industry can service as it does the commercial market. That would be disastrous oversimplification. We do have to maintain a capacity to produce minimum essential requirements for guns, ships, missiles, aircraft and other requirements for military readiness. We do have to maintain the facilities and the trained manpower essential to produce these necessary implements of our national strength. We do have to maintain a strong IR&D [independent research and development] effort to provide a future capability to meet the evolving threat. We do have to maintain a capability for viable competition that is the very lifeblood of our industry.

And to do so, we must recognize the peaks and valleys that are characteristic of our industry. We must bear the overhead associated with temporarily unproductive facilities that are vital to maintaining not only the competitive character of our industry but also the production reserve that supports our national strategy. Defense requirements are unique, and the Defense Dept. has a responsibility to maintain what is essentially a national asset—the broad base of capability that enables us to stay at the forefront of weapon development during peacetime and to be ready to produce all that is necessary in wartime.

All this is to say that the defense business is not, cannot and should not be run in all respects like a commercial operation. But we can borrow from the recognized strengths of commercial practices. Let's call a spade a spade. Our real problem stems from the desires on the part of both industry and government to extend the technical state of the art beyond what is necessary; to specify requirements which may never be encountered, and to protect against every contingency. That is a luxury we can no longer afford. In commercial terms, we are dedicated to a product the market cannot support. That spells disaster. In any terms, prudent management dictates that we reorient our thinking and our efforts to bring the product in balance with the market. In other words, to get the cost of the product down to a price the customer can afford. . . .

ROLE OF GOVERNMENT IN ENERGY CRISIS

Mr. TOWER. Mr. President, I ask unanimous consent to print in the REC-

ORD some remarks of Mr. Herman J. Schmidt, vice president, Mobil Oil Corp., on the role of Government in the energy crisis. These comments are most instructive, not only on what course the Government should take, but on what course the Government most certainly should not take.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

GOVERNMENT'S APPROPRIATE ROLE IN ENERGY

(By Herman J. Schmidt)

It will not come as news to any of you that some of the media and some politicians have tried to make the large oil companies the scapegoats for the inconvenience and higher fuel prices recently experienced by the American people. These companies have even been accused of conspiring to create an artificial shortage of oil in order to raise prices.

It's not my intention today to answer these charges beyond saying that at least with respect to the company with which I am associated—and, I believe, with respect to others as well—the charges are totally false.

I would remind you that Arab oil-exporting countries last fall reduced crude oil production by an aggregate of close to 5 million barrels a day. Some of this massive cutback was later restored, but until early this week, production in those countries was still running 3 million barrels a day less than the Free World had expected would be produced.

No matter how efficient they may be—and they *are* efficient—no oil companies can make up that great a loss. Your thermostats have been set in the Middle East, and that is where the line at the service station forms. No amount of inflammatory rhetoric can mask that fact forever.

Rather than engage in sterile debate, I should like to address myself to what must be done to assure our country, long term, of adequate and secure energy supplies, and in the process, to answer the question. What is the appropriate role for the government in the energy industries? In doing so, I shall discuss primarily the petroleum industry, since it is the one with which I am most familiar and since crude oil and natural gas furnish about three-quarters of the energy consumed in this country.

What is the proper relationship between the private sector and the federal government? This is particularly pertinent when one reads and hears daily of proposals being advanced in Washington and elsewhere, that would change the very nature of the relationship under which the American economy has achieved such strength. I will touch on just two types of these various proposals, en route to sketching an affirmative role for government.

The first type would create a government company to find and produce crude oil and natural gas. The second would increase substantially the very considerable degree of government regulation already imposed on private oil companies.

Before discussing these proposals, I should like to sketch for you what I think it is that makes private companies uniquely useful. The United States attained the highest material standard of living in all recorded history through the free-market system which has added to our plentiful natural resources the critical ingredient that this system elicits in greater measure than any other—human resourcefulness.

In discussing the free-market system, I would hope that in this gathering we can dispense with the campaign oratory that tries to brand every successful industry as monopolistic, conspiratorial, and noncompetitive. Despite very occasional aberrations to the contrary, American business is indeed competitive, and this is particularly true of the oil business.

Competition forces business to operate at the lowest possible cost consistent with product quality and with decent wages and benefits. Competition also puts a ceiling on the price a business can get for its goods and services. It is that very ceiling that dictates the low costs. The only way to improve your margins is to reduce your costs. This is, in fact, what produces the profit.

It is profit that brings out supply. Any indication that profits are abnormally high tends to attract substantial new production capacity. This, of course, increases the supply. And that, in turn, lowers the price.

The least costly part of what you pay for a product is the maker's profit, because through that profit—which is usually modest—you get a person who watches the maker's costs. The consumer benefits from this cost-control as much as the producer does.

The beauty of the free-market system is its capacity to adapt to a changing world.

Provided it is not unduly interfered with, I believe this self-regulating mechanism will continue to work and serve the consumer well. Once government begins tinkering with the mechanism or with the profit motive, malfunctions develop quickly.

The cost of energy has recently risen dramatically, and in the longer term may increase still further. Even so, I am convinced that the free market offers the only proven way to ensure adequate supply and to minimize additional price increases.

In advocating free-market pricing for fuel, I recognize the burden which higher-priced energy places on the economically deprived among our people. To the extent that there is a serious adverse impact on the poor, we must not turn our backs on it. Dealing with it directly, however—by subsidy to them if necessary—rather than by a general distortion of fuel price levels throughout the economy, will prove the most effective and least expensive solution. Arbitrary price controls that delay the development of additional supplies will only aggravate the problems of the poor.

Against this backdrop, let us look now at the proposal to set up a federal government company to explore for and produce crude oil and natural gas on federal, state, private, and foreign acreage and, under certain circumstances, to engage also in transportation, refining, and marketing. The ostensible purposes of this company would be to provide additional energy supplies to furnish a yardstick for measuring the costs and profits of the privately owned oil companies; and to make those private companies more competitive.

Since a government company has no requirement to earn a profit in order to stay alive, it has no competitive drive for the heightened efficiency that reduces costs. I have never heard anyone suggest government as an example of efficiency or low-cost operations. There are, of course, those who say the great virtue of a government company is that it does not have to make a profit and indeed should not be permitted to. Those people do not realize they are saying a government company has little incentive to use tax dollars efficiently.

As for substantially increasing the supply of oil and natural gas, which involves lead times of up to 10 years, it is important to remember that a government oil company would be free from any real economic pressure to get on with the task of exploration and development. Private companies, on the other hand, are always under pressure for a return on their capital. Hence their drive to find oil and gas as quickly as possible, and to begin promptly bringing it to market.

Since the energy shortage is likely to be with us for years, it would defy all credulity to turn over the most promising 20% of U.S. government-held acreage—as is seriously being proposed—to a company with no experience, no demonstrated competence, and no pressure or incentive to perform. Assuming even reasonably prudent selection, the first 20% of the available acreage could represent significantly more than 20% of the prospective reserves. There is no better way to prolong the shortage.

Can anyone really imagine the government's giving such a company enormous sums of money year after year for high-risk operations, which is what oil exploration is? Few government oil companies anywhere have been successful risk-takers. Even if such a government oil company in our country did manage to find some oil, one has only to look at the U.S. mails to understand government's approach to efficient production.

Not only would this proposed government oil company begin life with first call on the choicest acreage. It would pay no bonus and no rentals on the acreage; no royalties and no taxes. It would enjoy lower interest rates on any borrowings than the private companies, because the taxpayers would be underwriting the loans. Such proposed treatment would make a farce of the yardstick argument, because there would simply be no comparability.

In sum, I submit, the proposal to set up a government oil company is totally without merit and almost sure to be counter-productive. Even more important than the millions that would be wasted is the precious and irretrievable time that would be lost.

This brings us to the second type of proposal, which would impose on domestically produced crude oil and on natural gas moving in *intra*state commerce the same sort of wellhead price controls now imposed on gas destined for *inter*state commerce.

We have learned over the years that the emergence of any shortage almost invariably brings cries for additional government regulation of one sort or another. Unfortunately, this is likely to worsen the very shortage it is instituted to remedy. Let us explore this point, because it is a crucial one.

One of the problems in evaluating government regulation is that "regulation" is an emotionally loaded word. To many it connotes some sort of fairness, a shield against exploitation, in the interest of the ordinary citizen. Yet our country has now had rather long, and not very happy, experience with regulation.

It is time, it seems to me, to base our attitude toward any additional government regulation not on a sort of wishful thinking, but rather on what experience shows us the results of regulation are really likely to be.

Investigations by growing numbers of scholars reveal that the results of past regulation have been so bad for those who were allegedly to be protected that we should be extremely hesitant about introducing any new regulation. This is not because we are anywhere near Utopia, but because of defects inherent in the regulatory process itself.

The perfect example of how government regulation in the name of the consumer tends to work *against* the consumer is what the Federal Power Commission has done with natural gas. The example is instructive and highly relevant to the proposal to regulate crude oil prices or, in fact, to regulate other industries.

In 1954, wellhead price controls were placed on natural gas destined for *inter*state transmission. Ever since then, the Federal Power Commission has focused its regulatory policies almost entirely on low prices to the consumer in the short term. It has ignored two elements at least equally important to the consumer in the longer term—adequacy and security of supply.

The F.P.C. set such artificially low prices for natural gas that demand for this clean-

burning fuel skyrocketed, while both the incentive and the means to find additional reserves of it plummeted. Today there is a serious and growing shortage of natural gas—precisely what we in the oil industry said 20 years ago, and ever since, was bound to happen.

Meanwhile, plans are under way to import liquefied natural gas from less-secure sources abroad at four to five times the laid-down price of domestic natural gas. Yet the geologists of this country are convinced there are substantial additional U.S. gas reserves awaiting discovery onshore when it becomes economically feasible to explore for them and offshore the East and West Coasts when those areas are opened to exploration.

I should think the moral to be learned from the sorry history of government regulation of the natural gas industry would by now be apparent to almost everyone. About the best way to prolong and worsen the energy shortage is through further regulation. Does anyone really believe we can run America's immensely complex industrial structure better by substituting regulation for the basic competitive forces that have served the consumer so well in a free market?

The types of proposals on which I have touched are only two among many being advanced in Washington for additional regulation of American business, particularly the petroleum industry. The thread that is common to virtually all of them is the illusion that they will ameliorate one problem or another. Yet over and over our nation's experience with regulation has shown that it is highly unlikely to produce any ultimate benefit for the consumer.

What, then, *is* the appropriate role for government in the energy industries? Should government simply do nothing? On the contrary, past government inaction at points where action was urgently needed has been a major part of the problem.

What is essential is a comprehensive national energy policy, to set goals and to create the parameters and the climate within which the private sector operates in our free-market system.

In the absence of such a policy, programs which could materially increase domestic energy supplies in both the near and intermediate term are being held up. The list includes further acceleration of federal leasing, particularly in the Outer Continental Shelf; immediate resumption of drilling on suspended leases; relaxation of natural gas price regulations, especially for newly committed supplies; and greater utilization of coal.

Only government can set forth national goals and work out the necessary compromises to reconcile conflicting interests and viewpoints. We must place the national interest in energy matters above regional or other special interests, and we must recognize the natural priorities among various energy sources. Only government can develop the ground rules under which private industry must work. Clearly, government has an important and affirmative role to play.

The policy we adopt must, among many other things, recognize the need for continued economic growth—not mindless, exponential growth, but reasoned and balanced growth to enable more and more disadvantaged Americans to attain a higher standard of living.

It obviously has to include such conservation goals as energy-efficient building standards and better public transportation. It also must comprehend the siting of nuclear plants, refining facilities, and deepwater ports, and the stockpiling of large quantities of crude oil at a feasible time. It should address itself to the development of an American-flag tanker fleet that could be competitive in world trade and could ease the balance-of-payments drain stemming from imports of high-cost foreign oil. Also, we must have a policy that will permit strip-mining of coal in areas where land reclamation is possible. It makes no sense to restrict any form of mining coal that is economic and at the same time to make large research expenditures on ways to liquify and gasify coal.

We clearly need a national policy on environmental tradeoffs. There is no irreconcilable conflict between a cleaner and more pleasant environment and adequate energy supplies to help people still struggling to work their way out of poverty. We must strike a rational and workable balance between unacceptable enivironmental risks and unacceptable economic risks. An adequate and secure supply of energy is not a discretionary matter for a country as dependent on it as ours is. We therefore must have a balanced policy that does not permit extremist approaches to environmental protection to delay for years progress toward achievement of our national goals on energy.

Having struck a reasonable and rational balance on that fundamental, we must then develop a timetable with quantified goals for such component elements as oil, natural gas, nuclear power, coal liquefaction and gasification, coal for direct burning with desulfurization equipment, oil from shale, and, in a longer time frame, energy from more exotic sources. In drawing up such a balance sheet, we should keep in mind the simple fact that in the time frame we are discussing here—and even beyond—conventional oil and natural gas will remain our primary energy sources. There is no viable alternative.

It would seem to me that joint industry-government task forces could be most helpful in developing such a timetable and in quantifying the goals for the various components. All of us, the government included, must be very sure that no important piece is omitted from this extraordinarily complex jig-saw puzzle.

In all of this, we will have to keep in mind a host of considerations. One of the first of these is the question of self-sufficiency. I personally do not believe that we should initiate a crash effort to attain 100% self-sufficiency in energy, certainly not within any brief span of time such as 10 to 15 years. I cannot say whether our goal should be 80% or 90% self-sufficiency or just what, by 1990 or whenever, but I suspect that the cost of 100% self-sufficiency could be prohibitive.

Even if we could assume that the construction labor and the materials and the technology would be available, the massive capital programs required to achieve complete self-sufficiency in the near term could put heavy upward pressure on interest rates. They could drain off capital urgently needed in other critical areas of the economy. The physical environment might be seriously damaged. Nor do I think we should even appear to be retreating into an economic Fortress America. Since no human endeavor can be made completely risk-free, I should think we would be willing to rely on imports for some modest portion of our energy needs.

At the same time, we must minimize the risks created by unnecessary uncertainty as to our government's policies. The value of constancy and consistency can hardly be overestimated. They are essential to the business planning that is a prerequisite to the unprecedently large research programs and capital expenditures mandated by the situation.

A consistent energy policy will provide the basis for sound assumption as to future prices and costs—so important if we are to come to grips with the insurance aspects of a national energy policy: How much are we as a nation willing to pay to become largely independent of other countries with respect to energy? We shall surely have to face up to that question before we undertake the high-cost technology that may make our energy supplies more expensive than those of, say, Western Europe or Japan—more secure, to be sure, but possibly higher in cost.

The United States has the natural resource base, the work force, the technical skills, the management, and the organization to meet our future energy needs. I would guess that we can raise the huge amounts of capital required. But in the last analysis, it is the rate of return on capital in the energy industries that will determine whether the job gets done. Energy prices must cover prospective costs, and government regulation of the marketplace must be held to the minimum. It will not be possible to provide the country's long-term energy requirements if the market is distorted by restrictions imposed in an effort to solve or ameliorate short-term problems.

What is going to be critical is the sort of flexibility, resourcefulness, dedication, and risk-taking that have long characterized private oil companies around the world. The preeminent contribution that responsible government can make is to nurture and strengthen those qualities in every conceivable way; to make sure that adequate rewards await those who earn them by serving the public well; and to abandon the attachment to regulation for the sake of regulation.

I urge that we Americans not act as the instrument of our own torture. Applying this specifically to the subject of my talk today, I am saying, Let's not muzzle the strongest weapon in our arsenal—the privately owned oil companies.

Unless we assure ourselves of the energy required to sustain the well-being of the American people, no arms or armament can assure the nation's security, nor can social programs of whatever nature assure its stability. If we give up the campaign oratory and the search for scapegoats, if we take a responsible approach and a long, realistic view, we as a nation *can* solve our energy problems. The time to begin is now.

JOEL L. OPPENHEIMER NACV'S MAN OF THE YEAR

Mr. HARTKE. Mr. President, this past Friday marked the closing of the seventh convention of the National Association of Concerned Veterans—NACV—in Rochester, N.Y. This group of Vietnam veterans, founded in 1968 has grown from 130 chapters to over 200, representing 57,000 members. This is an impressive record of growth, all the more so because NACV has overcome a number of obstacles that other organizations, in less dedicated hands, might have found insurmountable.

Over the last 7 years only one individual has been acknowledged as NACV's "Man of the Year." Friday in Rochester, the delegates to the seventh convention recognized Washington tax lawyer, Joe L. Oppenheimer as NACV's Man of the Year. This distinguished award follows on the heels of the recent approval to grant NACV tax-exempt status under section 501(c)(19) of the Internal Revenue Code.

As chairman of the Senate Committee on Veterans' Affairs, it is my pleasure to commend Mr. Oppenheimer for helping to dignify the sacrifices that our Vietnam veterans made during a period of unpopular conflict in Indochina. Mr. Oppenheimer's efforts to strengthen the NACV's effectiveness took months of legal research which culminated in making the NACV the first veterans organization to qualify under this new IRS ruling. His unceasing efforts and undying faith

in the NACV brought a decision by the IRS favorable on all points.

Because of his dedicated support, this young veterans group can now receive tax-exempt contributions from all segments of society both public and private to continue their efforts for the 7 million Americans who served during the Indochina war.

ENERGY RESEARCH AND DEVELOPMENT

Mr. BROCK. Mr. President, there are currently before the Government Operations Subcommittee on Reorganization several pieces of legislation proposing alternative structures to manage energy research and development in the coming years. Testimony has been received in hearings which indicates, I believe for the first time, the extensive work and preparation which the AEC has in in preparing this Nation for the nuclear age. Many Americans are concerned and want the answers to such questions as "why can't we go to a fusion stage and skip development of fission?"; "Is nuclear the only option?"; and, "Where will new technologies be bred to minimize the risk of counterproductive energy policy actions?"

For the first time, in one place, an individual responsible for this effort has had the courage to attempt to answer these questions. Chairman Ray's testimony is not only good reading but must reading for all those legislators who will decide the path of our energy legislation. For that reason, I ask unanimous consent to print her testimony in the RECORD directly after my remarks. I would also like to express my appreciation to Senator RIBICOFF, chairman of that subcommittee for as comprehensive and well-balanced a set of public hearings on an issue as I have experienced.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT OF DR. DIXY LEE RAY, CHAIRMAN OF THE U.S. ATOMIC ENERGY COMMISSION BEFORE THE REORGANIZATION, RESEARCH, AND INTERNATIONAL ORGANIZATIONS SUBCOMMITTEE OF THE GOVERNMENT OPERATIONS COMMITTEE, U.S. SENATE, ON S. 2744

This is the third time that I have had an opportunity to testify before this subcommittee on the Administration's proposals for reorganizing Federal research and development programs on energy systems. During the last six months there have been a number of dramatic developments in the energy picture which have caused us to re-examine our assumptions and goals, but one fact has remained clear: an effective solution to the energy problem facing this nation depends upon the creation of a coodinated, well directed, and efficient energy research and development program at the Federal level.

In my last appearance before this subcommittee on December 4, 1973, I explained why the Atomic Energy Commission strongly supports S. 2744, which provides for an Energy Research and Development Administration and a separate Nuclear Energy Commission. Nothing has happened in the intervening three months to cause the Commission to alter its views on the importance of this legislation. For this reason I welcome this occasion to explain why we need these two new agencies and why we believe that the AEC structure, with its administrative experience and talented laboratories and contractors, can provide the essential core for an effective ERDA.

NATURE OF THE ENERGY CRISIS

No edition of a daily or weekly newspaper, no copy of a news magazine is complete without a column, comment, or speculation on the energy crisis.

The fuel shortage we are experiencing is truly a problem of worldwide dimensions. In the long run we may well be fortunate that political developments have forced the crisis upon us a decade or more before it would have otherwise arrived. We can now see that the energy shortage was inevitable. Some shortsighted optimists would have us believe that shorter gas lines and more fuel oil in a home heating system constitutes "happiness." But at best that is a transient happiness. We all know that our fossil fuel sources are limited, especially in such convenient forms as oil and natural gas. We also know that dependence on foreign sources can subject us to a form of political blackmail. Lifting the oil embargo will serve only to make us more comfortable in the "intervening years," after which we will either face a yet more serious crisis or become self-sufficient.

The energy question is readily divided into two distinct but overlapping problems. First, what can we do now—in the immediate future and over the next 2–5 years—to provide the fuels necessary to avoid an economic recession or physical hardship? And second, how can we reduce our reliance on fossil fuels by developing alternate energy sources without losing the many real advantages that modern civilization has to offer?

In the first category fall the many initiatives now being taken or planned by the Federal Energy Office under the able leadership of Bill Simon. Efforts to cut back on consumption and to conserve such fuel as we have available are already producing results. The President has proposed a courageous plan designated "Project Independence." The plan is to use presently developed technology and known processes to increase our domestic fuel supplies. This important program is also a responsibility of the Federal Energy Office.

There are other ways of improving our energy situation. Working with private industry, the Federal Government should consider encouraging private industry to develop new energy systems through financial incentives such as guaranteed prices for energy produced, loan guarantees or direct loans, and priority allocations of resources such as construction materials. Implementation of these proposals could result in substantial production of coal, synthetic fuels—both gas and liquid—and oil from shale.

The real problem is the long-term one. While providing for today's needs, while making sure that the wheels of industry keep turning and our industrial economy remains strong, we must not let short-term responses blind us to the crucial necessity of beginning NOW the greatly expanded research and development effort that will eventually lead us out of the fossil fuel age. One way to reach this goal is detailed in the report "The Nation's Energy Future," which I presented to President Nixon at his request on December 1, 1973. The organization that will make it possible to accomplish the objectives of that report is that proposed in S. 2744: the Energy Research and Development Administration.

THE NUCLEAR ENERGY COMMISSION

I intend to direct most of my remarks today to the need for ERDA, but first I would like to mention the importance of the Nuclear Energy Commission proposed in S. 2744. The bill provides that the Atomic Energy Commission itself as well as certain elements of the staff would be established as an independent regulatory agency to be called the Nuclear Energy Commission. Reconstituting the AEC as NEC would be the final step in a process which has continued over a period of years to separate the operational and the regulatory functions of AEC. During the early years in the development of nuclear technology and the nuclear industry it made sense to integrate the operational and regulatory functions in one agency so that we could be certain that the new regulatory procedures being established fully protected the public against the potential hazards of a new technology. Now that both the industry and the technology have matured, we believe that the time has come to separate these two functions. Creation of a separate Nuclear Energy Commission will mean that one Federal agency will be able to devote all of its attention and its resources to the regulation of nuclear activities. The obvious importance of this function in our opinion fully justifies the provisions of S. 2744 establishing the NEC.

There is much more that should be said about the need for the proposed NEC. Commissioner Doub is present today and is prepared to discuss this subject in greater detail.

WHY ERDA?

The energy crisis has spurred many Federal agencies to suggest promising research and development projects. The intent of these proposals has been laudable, but the result has often been confusion. It is difficult to determine whether such proposals really augment the Federal effort or merely duplicate existing projects. And it is almost impossible under present circumstances to evaluate similar projects sponsored by different agencies. There has been some success in assigning lead responsibilities for certain kinds of research and development to one agency, but decisions of this nature can at best be temporary—pending the establishment of an integrated energy research and development program for the nation.

In many instances more than one agency is working on the same problem. Obviously coordination becomes difficult, but there are more subtle obstacles to successful development under these circumstances. Often the major responsibilities of a sponsoring agency will divert the research and development program from the main objective in terms of energy to peripheral considerations. This diffusion of responsibilities and fragmentation of leadership mean that we are not mobilizing our resources in the most efficient and effective manner. There is a temptation to capitalize on "visible" short-term payoffs at the cost of longer-run solutions. A series of short-term solutions will not meet the long-term need. Only by bringing all these projects under one research and development agency can we be sure that long-term objectives will be pursued.

The Energy Research and Development Administration described in S. 2744 provides a logical structure for organizing a research and development effort of the massive size and diversity required to provide the energy systems we need. ERDA would assure that alternative energy systems really have an opportunity to compete at the Presidential level for available resources. The kind of centralized coordination which ERDA would provide is essential to rational management of energy research and development.

Good management will require careful attention to a wide range of social and economic issues related to energy development. These include such diverse matters as the environmental concerns of the Environmental Protection Agency, reactor safety requirements of the proposed Nuclear Energy Commission, policies of the Department of Transportation, and resource management programs of the Department of the Interior. ERDA would have some impact on the activities of these and other agencies. But more important, ERDA would be in a position to respond effectively to the interests and concerns of these agencies in a way

that is not possible at the present time. ERDA would be able to work with other agencies in formulating appropriate research and development strategies and budgets. ERDA would offer an independent, objective assessment of R&D needs. It would not be "captive" of any particular persuasion. Rather ERDA would be in a position to formulate policy and budget issues in a form that would be amenable to resolution at the Executive Office level. There is a compelling need today for an agency like ERDA, which can provide a prompt and flexible response to rapidly changing conditions in energy technology.

ERDA: A BALANCED ORGANIZATION

I have stressed the importance of balance in our approach to energy research and development. Without balance, we cannot be certain that the most promising energy systems will receive the support they deserve. The Administration recognized this need in drafting the original legislative proposal on which S. 2744 is based. Under the bill, ERDA would include personnel from both AEC and the Department of the Interior. It would draw upon the resources of these agencies and on those of the National Science Foundation and the Environmental Protection Agency.

There has been some concern expressed, however, that AEC, as the major component of ERDA, would dominate the new agency. If in fact ERDA were dominated by former AEC personnel, would there not be some danger that ERDA's programs would be biased in the direction of nuclear systems? In the opinion of some people, such a tendency would be especially unfortunate because they believe that AEC has not demonstrated the technical and administrative capability needed to form the core of ERDA.

Let me speak first to the question of nuclear bias. As I see it, there are at least four barriers to this kind of distortion in ERDA. First, there is no reason to believe that ERDA would be dominated by the present leadership of AEC. Under the bill, the ERDA Administrator and the Assistant Administrators would be appointed by the President with the advice and consent of the Senate. In proposing and confirming individuals for these positions, the President and the Senate will have an opportunity to provide the kind of balance required.

Second, the ERDA organization proposed in S. 2744 assures that each major energy system under development will have equal access to the Administrator and an equal voice in decisions. Fossil Energy Research and Advanced Energy Research would have their own Assistant Administrators with the same stature and authority as the Assistant Administrator for Nuclear Energy Systems.

Third, the organizations that would be transferred from AEC to ERDA have an established history of pursuing research projects which go well beyond the formal limits of nuclear research and development. Since 1971 AEC has been authorized to support research and development on energy systems other than nuclear, and the AEC's laboratories have made an impressive record in performing energy-related research for other Federal and state agencies.

Finally, the Congress in chartering ERDA and in appropriating funds will have a strong hand in determining the scope and direction of ERDA activities. S. 2744 itself recognizes the vital importance of all areas of energy research and development and the need to devote appropriate attention to each of them.

I am convinced that the four points I have just mentioned provide adequate safeguards against the dangers of nuclear bias.

AEC: A NATIONAL RESOURCE

I would like to say a few words about the second concern—that AEC does not have the technical and administrative competence required to form the core of ERDA. Let me say emphatically that the reverse is true—that AEC represents the kind of resource, both in talent and experience, that is essential to the success of an agency like ERDA. In fact, the concern of some people about nuclear bias probably stems from a realization of the exceptional capabilities of the AEC in energy research and development.

There is another contradiction inherent in some of the reservations that have been expressed. Some people find it possible to praise the genius and capabilities of the AEC laboratories while denying the effectiveness of AEC management. Such a position is as logical as praising the coordination and performance of a body while denying its head. The AEC laboratories deserved great credit for their accomplishments, but they would not be the strong and effective institutions they are today without the direction and management they have received from the AEC. Furthermore, the breadth of their capability arises from the basic facts of life and matter: the study of atomic energy involves the most fundamental understanding of scientific knowledge.

The AEC and its laboratories are staffed by scientists and engineers representing every conceivable discpline. During FY 1973 there were about 8,500 scientists and engineers employed at AEC's seven multipurpose laboratories. Information on personnel, programs, and capabilities of the laboratories are contained in the book "AEC Reseach and Development Laboratories—A National Resource" which we wish to submit for the Committee's information. The AEC laboratories are "interdisciplinary" and the broad range of disciplines represented are required for nuclear research and development. In fact, many of the problems the laboratories encounter are not unique to nuclear projects. Nuclear energy is the end product, but the talents and resources used extend far beyond the nuclear disciplines.

The AEC and its laboratories are project oriented. They have the skills, facilities, and goal orientations necessary to address a broad spectrum of problems. In addition, they have extensive field experience in demonstrating the feasibility of new technologies, many of which have resulted from close cooperation with industrial partners. We must understand that the skills and relationships developed in AEC projects represent a rare and virtually irreplaceable national resource. It has taken more than thirty years to develop the combination of governmental and scientific institutions which make up the AEC enterprise today. AEC and its laboratories offer to the nation an administrative and technical structure which has proven its ability to translate highly sophisticated scientific and technical data into practical engineering systems.

THE BREADTH OF AEC RESEARCH

Many people are not aware of the breadth and diversity of the AEC's research and development programs. These two attributes of the AEC program speak directly to the questions of nuclear bias and technical capability.

Many of the AEC's large, ongoing programs are not predominantly concerned with nuclear subjects. For example, the essential questions in controlled thermonuclear research and concerned with the physics and engineering aspects of plasmas, including the solution of the problems of superconducting high voltages with high efficiency. The major problems in laser fusion to date concern lasers and optics. The lasers being perfected in AEC laboratories have a wide variety of uses, such as for welding a detached retina to the eye.

Many examples of AEC work which is not uniquely nuclear occur in the areas of health effects, materials, and testing. The AEC is providing extensive support for studies of the effects of radiation on the biosphere. Especially important have been developments in the science of assessing the impacts of such releases. The techniques developed are equally applicable to the study of other pollutants. For instance, we have developed mathematical models for predicting the transport of radioactivity through the atmosphere and aquatic pathways. Equipment has been developed to detect emissions and to analyze cellular effects. In fact, one of the first uses for a cell analyzer developed by the Lawrence Livermore Laboratory was to perform field analyses of industrial pollutants for the Environmental Protection Agency.

Most nuclear research programs require specialized materials—metals, ceramics, plastics, and others, such as modern composites. Often these materials are not commercially available and must be developed for specialized applications. These materials have found their way into a variety of commercial uses. But it is not enough to develop new materials. Research on their properties and guarantees of integrity over an expected lifetime are necessary. Nowhere else is there accumulated the range of equipment for testing and fabrication as is found in the AEC's laboratories.

An important capability developed in AEC research on health and materials has been new skills in tests for reliability. The quality control required in nuclear work, whether we are discussing reactors or weapons, far exceeds that of most other technologies. A sophisticated science has evolved around testing capabilities. These range from electron microscopy that reveals flaws on scales approach the diameter of the atom to large machines that test structures up to millions of pounds. The AEC laboratories developed many of the techniques that are only now being introduced in commercial applications.

Even more important, they can be applied directly in the various kinds of research and development which ERDA would perform—on fossil, solar, and geothermal energy systems as well as nuclear. ERDA would make it possible to translate these nuclear skills to the much broader area of general energy research. The establishment of ERDA would enable us to build up and expand research and development on these nonnuclear energy systems, which have been too long neglected in the past.

THE FACTS ABOUT NUCLEAR POWER

Before closing I would like to say a few words about the charges which a small but vocal minority has leveled in recent months on the Commission's nuclear power program. I am not referring to the constructive suggestions which we continually receive from responsible critics but to the "shot-gun" attacks by those who are attempting to turn public opinion against nuclear power in any form. Unfortunately, in attacking AEC, these individuals sometimes give the appearance of discrediting the kind of forward-looking research and development program which is needed to meet our energy needs. So I think it is important today to set forth the essential facts. Among the AEC staff present you have a number of experts who can discuss the details.

There have been *claims* that nuclear power plants are dangerous. Here are the *facts:* nuclear power plants do emit radiation, but how much do they emit in comparison with other things? The estimated annual whole-body radiation received in the United States in 1973 was:

Source:	*Millirems*
Cosmic rays	44.0
Rocks, soils, and building materials	40.0
Internal body sources	18.0
Global fallout	4.0
Occupational activities	2.6
Medical activities	75.6
Total	184.2

From nuclear power we each received 0.003 millirems in 1970, and 0.425 millirems is projected from nuclear power in the year 2000.

We also know that radiation can cause cancer. Just how this happens is not completely understood, since at low exposure rates the effects may be much less proportionally than at high exposure rates. On the assumption that the rate of exposure does not affect the cancer-producing potential, Ralph Lapp has estimated an upper limit to the cumulative death attributable to radiation-induced cancer up through the year 2000. There would be 200,000 deaths from natural background radiation; 100,000 from medical X-rays; 7,200 from jet airplane travel; 6,800 from weapons fallout; and 90 from nuclear power plants. The total estimated cancer deaths from all causes over the same time period would be 20 million. So nuclear power plants do represent some measurable risk, but it is insignificant when compared with other causes of cancer.

Another objection is that nuclear power plants may have accidents. We believe that the care taken in design and operation ensures that the chances of a serious accident happening at a nuclear plant are very small. But how can we quantify this risk? About a year and one half ago the Commission set up a group of scientific experts to study this question. We were fortunate that Professor Norman Rasmussen of MIT agreed to direct this study. He is available today to answer your questions along with Dr. Herbert J. C. Kouts, our Director of Reactor Safety Research. I will defer to them for details, but I believe the risks from nuclear power plants are acceptable in comparison to the other risks society has demonstrated a willingness to accept.

Another claim made about nuclear power plants is that they are unreliable and uneconomical. In answer to that objection I can state that the cost of power produced from a representative number of fossil fuel plants in 1972 was 10.3 mills per kilowatt hour. For nuclear power plants the corresponding costs was 8.1 mills per kilowatt hour. As for reliability, large fossil plants were available to operate 73.5 percent of the time during the period of 1960–1972 and nuclear plants were available 74.4 percent of the time. The Commonwealth Edison Company has reviewed the availability of its plants in 1973 and found that the new fossil plants were available 69.1 percent of the time and its new nuclear units had an availability factor of 80.8 percent.

It also has been charged that the AEC does not provide adequate assurance against the theft of nuclear material from nuclear plants or while in transit. I consider the safeguarding of special nuclear materials against diversion from peaceful to weapons uses one of our most important responsibilities. The Commission does not take this matter lightly. The discussion of AEC safeguards against deliberate acts of nuclear destruction is frequently blurred by excessive over-simplification. The public has a right to be assured that there are adequate and effective safeguards against attempts to steal the material from nuclear plants or in transit. Our people also have a right to be assured that these safeguards are efficiently carried out—that the regulations are responsive to the problem rather than just a reaction by an agency seeking to avoid criticism. During 1973 significant improvements were made in AEC regulations as a result of our continuous analysis of present and potential threats. We are spending $6 million this year for research and development on safeguards. This is in addition to more than $45 million we are spending for guard forces and protective measures at the plants and in transit. We consider this adequate to meet the present threat. Of course, we can make improvements and we will. We have studies underway to strengthen our safeguards to meet the changing levels of threat.

These are a few of the charges leveled by our critics. Many are responsible persons with legitimate concerns. We welcome constructive criticism. But too often our critics are individuals who rely on reckless overstatements to make their points. They speak without having the credentials to back their assertions, and few listeners ask to see their credentials. They are not questioned about their lack of specifics to back up their generalizations. The charges of these critics should be evaluated in the larger context of the real world and accorded the hearing they deserve. Whether our critics are responsible or otherwise, the Atomic Energy Commission will continue to be open to the public, both in terms of accepting public criticism and providing all the facts. To do less would be to shirk our responsibility as a public agency.

I am not here today to apologize for AEC's actions in the past; nor am I complaining about not being understood. But I think it is vitally important that we set the record straight. It would indeed be a tragedy if the sort of spurious and irresponsible criticism I have mentioned today should prevent us from seizing the extraordinary opportunity which S. 2744 offers us in advancing the national welfare. We believe S. 2744 charts the course we should follow in pursuing our goal of energy self-sufficiency, and we commend this subcommittee for its perseverance in seeking that objective.

OREGON BOTTLE BILL

Mr. PACKWOOD. Mr. President, on March 28, 1974, an article concerning the Oregon beverage container law appeared in the East Oregonian, a daily newspaper based in Pendleton, Oreg. This article points out results of a study undertaken on the effects of the Oregon bottle bill. This study, interestingly enough, indicates far fewer severe effects on industry than industry maintained there would be as a result of enactment of the so-called bottle bill. As I continue to receive reports on the beneficial impacts being realized under Oregon's new law, I am further convinced that the Senate would be acting with great foresight in moving to adopt sound beverage container legislation. The Oregon law has been very successful, and many States are looking to Oregon for guidance and leadership as they pursue similar measures. Oregon has been in the forefront in the push to cut down on beverage container litter, as it is similarly out in front in most other drives to clean up our environment. I think, then, it is only fitting that Oregon's Senators should be the ones to introduce beverage container legislation on the national level, and I am pleased and proud to be a cosponsor of the measure Senator HATFIELD introduced in June 1973, the "Nonreturnable Beverage Container Prohibition Act." Hearings are expected very soon on this measure, and it is my hope that, given the very positive effects of the Oregon law as reported during the course of its first year and thereafter, my colleagues will see fit to enact Federal legislation at the earliest possible date.

Mr. President, I ask unanimous consent that the East Oregonian article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ECONOMICS OF THE BOTTLE LAW

A couple of university business professors have studied economic effects of Oregon's bottle law and have concluded that the law hasn't done the severe damage to the container industry and grocery store that was predicted by some.

The bill, which was opposed by businesses dealing with beverage containers, requires a mandatory deposit of five cents on all embossed or specially shaped bottles and on cans of carbonated beverages and beer. It puts a two-cent deposit on refillable bottles used by more than one beverage producer.

Professors Charles Gudger and Jack Bailes, of Oregon State University, point out that the law has reduced bottle and can waste considerably (88 per cent), which has been reported widely. They then give this economic rundown:

Savings in trash handling and clean-up costs—$700,000.

Losses in profits to can and bottle manufacturers—$614,000.

Rise in operating costs of beer distributors—$589,000.

Rise in operating costs of retailers—nearly $3 million.

Savings to malt beverage brewers and pop bottlers because of reusing containers—$8 million.

Effect on total business income—a gain of almost $4 million.

Employment—decreased in container manufacturing and increased in other sectors, with net gain of 365 jobs.

VIETNAM VETERANS AND EDUCATIONAL ASSISTANCE BENEFITS

Mr. HARTKE. Mr. President, on Wednesday and Thursday of this week, the Committee on Veterans' Affairs, which I am privileged to chair, will continue hearings concerning readjustment assistance for Vietnam veterans. While almost all agree that considerably more must be done, the issues before the committee are complex and not susceptible to easy solutions. We are confronted not only with fiscal realities but also with the problems of determining an equitable system capable of being administered which is substantially free of abuse. Some of the complexities and the equities involved were spelled out in two articles appearing in yesterday's papers. I commend them to my colleagues and ask unanimous consent that they be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 7, 1974]

ARE VETS' BENEFITS ADEQUATE?

(By William Greider)

There's an established tradition in America that, in between wars, people argue about how the country is treating its old soldiers.

Donald E. Johnson, a World War II vet himself and former national commander of the American Legion, blistered public indifference toward the veterans in typical rhetoric, designed to provoke patriotic guilt.

"They believe they are forgotten men, fighting to halt aggression halfway round the world and receiving little or no recognition for it," Johnson complained.

That speech was in 1953 and the vets were from the Korean War. Now there is a new generation of "forgotten men" from the Vietnam. And Donald Johnson, as President Nixon's chief of the Veterans' Administration, is catching the flak about how they are treated.

Last week, for instance three national veterans' organizations, an influential congressman and a senator called for Johnson's ouster as head of the VA. They accuse him of crippling both educational and medical pro-

grams, and blame him for problems ranging from poor care at the VA's 170 hospitals, to late benefit checks for the 1.5 million Vietnam vets who are going to school on the GI bill.

"The present GI bill system," the Vietnam Veterans Center proclaims, "violates the intent of Congress and denies education and training to millions of needy Vietnam era veterans."

Yet Donald Johnson says, in so many words, that U.S. veterans never had it so good. The government is spending $13 billion a year on them now, an enormous increase over the last few years, and they are using the programs—from educational aid to home loans—in record numbers.

The VA asserts: "The average Vietnam veteran attending a four-year public or a two-year public institution has educational benefits slightly higher than his World War II counterpart when adjustments for changes in the Consumer Price Index are made."

So, for veterans, it is either the best of times or the worst of times, depending on whom you listen to. Which one is right?

The answer is complicated because, in some respects, they are both right. For millions of young men home from Vietnam, the GI bill today gives them everything their fathers got when they came home from World War II and maybe even a little extra. Yet for another group of today's veterans—especially the poor, especially the young married men—it's not such a good deal. A lot of them—millions of them—are not going to school because today's GI bill doesn't pay the bills the way it did a generation ago.

To understand the arguments on both sides, you have to go back to the heady fanfare which greeted the homecoming GI's after V–J Day in 1945. In its patriotic fervor, Congress had already enacted the GI bill, an unprecedented plan to help the veterans of World War II—low-interest home loans, temporary housing, cash supplements during their first year of adjustment and, most important, an educational aid program which helped to revolutionize higher education in America.

Every veteran could go to school anywhere he chose and the government would pick up the whole tab for books, fees and tuition, up to $500. Even with the postwar inflation, $500 would buy the best education in America. Harvard's enrollment in 1947 was 59 per cent veterans. The money went directly to the schools and each veteran, if he was single, received $75 a month for his living expenses, slightly more if he had a family.

The plan worked so well, opening doors for so many young Americans who would never have dreamed of a college education, that it is fondly remembered as an important social equalizer, a chance for millions to raise their economic status.

Yet VA officials had a different memory burned into their collective consciousness—a national scandal. In 1950, congressional investigators discovered that a lot of schools and colleges were getting rich on the vets, jacking up tuition rates to collect more from the government treasury.

One college increased its charge for vets from $25 to $100 per quarter. Another raised its rate from $15 to $100 per quarter. Another raised its rate from $15 to $200 though its cost per student averaged $65 after its other federal aid grants were deducted.

One state military school collected from both the state government and the VA and then paid cash bonuses to its students when they graduated. Some colleges built fancy stadiums, thanks in large part to the GI bill.

As it happens, that 1950 investigation was led by Rep. Olin Teague (D-Tex.), former chairman of the House Veterans Affairs Committee and still its ranking Democrat. The experience persuaded Teague that university administrators couldn't be trusted with direct tuition grants. It absolutely traumatized the VA bureaucrats. Never again, they said.

The system was changed for the Korean conflict veterans. Instead of direct payments to the schools, each vet would get a monthly allowance which was supposed to be large enough to cover his tuition and his living expenses.

That approach is under attack now as inequitable and terribly inadequate for millions of veterans. Some senators and congressmen (though not Teague) are pushing legislation which would create a tuition supplement, up to $600, depending on the cost of a veteran's particular school.

The Vietnam vet, if he is single with no dependents, receives a monthly check of $220—or $1,980 which has to cover his tuition, books, fees, and nine months of rent, food, and so forth. Obviously, that won't get you into Harvard where tuition, room and board will cost $5,700 next fall. Harvard had 1.5 percent veterans in its 1972 enrollment.

But it also won't get you into Slippery Rock State College in Pennsylvania, which will cost $2,350 next fall, or scores of other private and public institutions where the price of higher education has skyrocketed. NYU had 14,359 vets in 1947—last year it had 463.

Congress has raised the education allowance twice in the last five years, both times over objections from the VA and the White House. The House recently passed another increase of 13 percent and Senate leaders are thinking of an even bigger figure, though the Nixon Administration wants to hold it to an 8 percent increase.

Overall, the VA insists that current participation under the GI bill is better than it ever was before. Approximately 51 percent of the Vietnam era's 6.5 million veterans have used the aid for some kind of schooling (24 percent of them went to college). That compares to 42 percent participation after the Korean war and 50 percent for World War II vets (when 15 percent went to college).

The trouble with that comparison, according to the critics, is that Vietnam vets are coming home to a different world—where college education is not so rare. In 1940, only about seven percent of Americans, age 25 to 29, had been to college. By 1970, that group had nearly tripled in size. Thus, the World War II vets were breaking the national pattern and reshaping it. The Vietnam vets are more or less following it.

But the major complaint is that current system of monthly checks serves veterans in a discriminatory way. If he lives in a state like California where public education is virtually free, the $220 a month is a good deal. Even if he is married with children, he may be able to manage it. Even if he is poor.

But if he lives in a state like New York or Ohio or Indiana or Pennsylvania where even public schools charge some stiff fees, his opportunities go way down, especially when the local job market is so tight he cannot find parttime employment. California, which supports a large system of junior colleges as well as four-year colleges, has the highest college participation rate among its veterans—37 percent. In Indiana, it is 4 percent.

"The GI bill is adequate," said Forrest Lindley, one of the young vets lobbying for improvements, "only if you are a single vet going to a public school in a low-tuition state."

For instance, two-thirds of the Vietnam veterans are married, but only about one of seven of them is using the GI bill. Lindley and others also argue that on a strict dollar-for-dollar comparison the maximum World War II benefits equal about $3,800 in current dollars compared to the $1,980 in allowances provided today. Vets are also more likely to use the GI bill if they were already in college before the war—suggesting that middle-class vets are cashing in more easily than the poor.

The VA turns the question around, however. By looking only at those who are using the GI bill today, most of whom are going to public low-cost schools, it concludes that a slight majority of them would actually lose if the government returned to the old system. For instance, the old $75 allowance translates into about $166 a month in today's dollars. A Vietnam veteran who is now getting $220 a month (and who attends a tuition-free school) gets a little more cash.

But what about the millions who aren't going to school? Or those who just happen to live in states where public education isn't so cheap? The reformers are pushing a "tuition equalizer" which would help them—a government voucher for tuition costs over the national average of $400 but limited to a ceiling of $1,000.

That still wouldn't get many veterans into Harvard, but it would open up a wide number of public and private colleges, especially in the Midwest and East, which are now too dear for someone trying to live on GI benefits. There are companion proposals too, such as an "accelerator" provision which would allow married vets to use up their entitlement faster and get more cash each month.

The VA opposes those measures. So does Rep. Teague. In terms of choice, they would agree that today's veterans can't afford the more expensive schools which were open to vets after World War II. But then neither can the non-veterans. College enrollment has shifted heavily toward public institutions because of soaring tuition, a trend which the VA doesn't see as especially harmful.

Likewise, they concede that the present system creates some geographical bias. A Pennsylvania vet has money problems which don't confront a California vet.

"There's no pretense," said Meadows, "of the program being designed to meet all the peculiar problems of the individual. It's designed to provide equal benefits for equal service."

The critics argue that the principle is a sham when so many veterans can't buy the same educational services with their "equal benefits." Yet, as Meadows argues, if Congress does provide tuition supplements for states which don't provide low-cost public schools for their young, is that fair to states like California which do?

"You're not going to shovel out $600 to high-cost schools in Pennsylvania or New York without the others wanting the same thing," Meadows warned.

Congress will have to answer that question if it goes for the tuition plan this year. Meanwhile, it will be fighting the Nixon Administration over Donald Johnson's management of the VA as well as on the basic issue of how much benefits should be increased to keep up with inflation. The old soldiers won't be forgotten, at least for a while.

[From the Washington Star-News, Apr. 7, 1974]

TOO LITTLE HELP FOR VIETNAM VETS

There was a certain emptiness in the first Vietnam Veterans Day, observed recently by proclamation of President Nixon, and the reason is obvious enough: The gap between promise and fulfillment, regarding this country's obligation to those veterans, can only bring on a feeling of shame considering the awful sacrifices of that most unpopular war. It is right to pay tribute, as the President did. It is more important, though, to pay cash, for all the benefits—the unlocking of opportunities—that many of these ex-servicemen need so desperately.

That is the real testimonial of national commitment and appreciation, something that requires extra sacrifice by society in the here and now. Mr. Nixon stated the point very well in his special veterans message of

last January: "We owe these men and women our best effort in providing them with the benefits that their service has earned them." But his proposals in the way of spending fell short of the high standard he had voiced. Nor has Congress provided enough in recent times, though it ordinarily goes well beyond Mr. Nixon's requests.

The problem is that inflation has been eating up the gains faster than they become available, so that Vietnam veterans find themselves grievously short-changed, especially in trying to get a college education. They are bitter, many of them, in reflecting on World War II vets' ability to do this handily with GI Bill benefits and their own inability in all too many cases. Though they're getting more money, it buys much less. Under the World War II GI Bill, the government made a direct payment to the college, generally sufficient to meet all costs of tuition, books and fees, and gave the vet $75 a month for living expenses. Millions of men and women now in middle age breezed through to get their degrees, with little financial worry, on that system.

But what does the Vietnam veteran receive? A flat stipend of $220 a month, from which he must pay tuition, living expenses and all else. And rocketing tuition costs have reduced this to a pittance, for the purposes of attending many a four-year college these days. Last fall, according to a recent report, only 1.5 percent of the entering freshmen in these institutions were veterans. The vets are being stuffed into two-year community colleges, vocational schools and job-training endeavors. Many are being supported by working wives as they try to get educated, and countless others simply have given up.

Congress must do something to relieve this injustice, and apparently it will, but the question is how much? Mr. Nixon now proposes an 8 percent hike in education and training benefits, to give single vets a raise to $237 monthly. The House is a good deal ahead of him, as usual, already having approved a 13.6 percent boost and a $250 stipend, by unanimous vote. In terms of increased spending, the House plan calls for $600 million, as against roughly $200 million proposed by the President, but neither is an adequate response to veterans' needs. The Senate, though, is about to receive much more ample proposals from its Veterans' Affairs Committee, whose hearings are being enlivened by angry Vietnam vets. Chairman Vance Hartke of Indiana was talking the other day about a 23 percent jump, to $270, but even that brought derisive shouts from ex-GIs in his hearing room.

How much more, then? Some experts in this field think a hike of $800 million to $1 billion is needed to give Vietnam-era vets the actual returns in education enjoyed by World War II veterans. And though Congress may not approach that maximum figure, and perhaps cannot do it within the fiscal realities that prevail, the Senate will deal with legislation in this range. When the time comes, it must summon the utmost generosity allowable, and give serious thought to what other federal programs might be reduced, at least temporarily, so this one can be expanded.

Also, the Senate should move beyond the stipend system that keeps many veteran students in dire hardship, and work out a method to provide tuition assistance as well. Much can be said for initiating an educational loan program. Along that line, some lawmakers would like to utilize the $7-billion National Service Life Insurance Trust Fund, consisting entirely of insurance premiums paid by veterans. It seems reasonable to use some of this vast reserve for individual loans to help veterans secure education and training.

Admittedly, veterans are benefitting heavily from the present program, attending schools by the hundreds of thousands, in somewhat higher percentage than World War II vets did. But the Veterans Administration paints too rosy a picture, as in noting that educational benefits have increased 70 percent since 1970. After all, upwards of 4 million servicemen have been discharged since then, and the stipend four years ago was outrageously low.

And serious deficiencies are all too evident in other areas. Unemployment among Vietnam veterans in the 20-to-24 age group is sharply above the national average for that bracket. Upon demand by Congress, the Labor Department has just given a very poor and belated accounting of its stewardship in carrying out Congress' 1972 mandate to help veterans find jobs. We expect this will produce some fireworks in congressional hearings quite soon, as it rightly should. Congress also is obligated, we think, to enlarge upon Mr. Nixon's proposed cost-of-living increases for disabled veterans.

As of right now, though, the main demand for performance is upon the President himself. His Veterans Administration is in serious disarray, and has been for some time under the direction of Donald E. Johnson. This was pointed up again last week by the heated resignation of Dr. Marc J. Musser, the VA's chief medical director, and demands for the firing of Johnson by some leading members of Congress and two veterans' organizations. Allegations of excessive political influence on the agency seem not without foundation, and Johnson's erratic leadership doesn't inspire much confidence. Nor does Mr. Nixon's latest response: Appointment of Johnson to organize an investigation of inefficiencies in his own agency.

But the larger problem is administration policy which resists a more generous financial commitment, as being inflationary. The war also was fought at inflated costs, and contributed much to the inflation the country now suffers. The men who fought it deserve at least the same consideration, in terms of priority, that the war received. This will not, after all, be a continuing expense; in a very few years the Vietnam veterans either will have gotten their college educations or lost the chance. If this country fails now to give them the fullest opportunity, it will not live very comfortably with itself.

RESOLUTIONS OF NATIONAL LIVESTOCK FEEDERS ASSOCIATION

Mr. PERCY. Mr. President, recently I was visited by a delegation of Illinois members of the National Livestock Feeders Association to discuss issues of interest to the industry. We had an interesting discussion of some of the resolutions passed by the NLFA at its annual meeting in February.

For the information of all my colleagues, I ask unanimous consent that the resolutions adopted by the NLFA at its 1974 annual meeting be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTIONS ADOPTED—NATIONAL LIVESTOCK FEEDERS ASSOCIATION

RESOLUTION NO. 1—ECONOMIC STABILIZATION

Whereas, the current policy of the National Association strongly opposes the application of price controls to livestock and meat; and

Whereas, inflated prices are the result, not a cause, of inflation; and

Whereas, price controls and related measures, seriously distort production and marketing, create artificial shortages of a wide range of goods in the economy, and are otherwise deleterious to the public interest and to the interest of producers, marketers, and consumers;

Be it resolved, that this Association calls for the termination of all price controls immediately and is opposed to giving the President of the United States authority to impose programs to stabilize the economy, except in cases of national emergency.

RESOLUTION NO. 2—THE ENERGY SITUATION AND AGRICULTURE

Whereas, food and natural fibers are basic necessities; and

Whereas, an adequate supply of energy if vital to agricultural production, processing, and distribution;

And since, the Federal Energy Office recognizes this top priority status and, also, the need for flexibility in allocating and distributing fuels, fertilizers, and other energy-derived production inputs;

The members of the NLFA hereby pledge to utilize fuels and other energy-derived products made available to them in a judicious manner.

The Association will continue to work toward assuring agriculture its rightful priority with respect to the allocation of fuels and other energy-derived products, including the use of energy materials in the production and distribution of fertilizers and other agricultural chemicals and the like.

RESOLUTION NO. 3—EXPORT CONTROLS ON AGRICULTURAL COMMODITIES

Whereas, the U.S. Government acted to restrict the exportation of certain agricultural commodities and products in connection with attempts to stabilize the economy; and

Whereas, the exportation of agricultural commodities and products is crucial to the United States and is in the best interest of agricultural producers; and

Whereas, being a dependable supplier is essential to developing and maintaining important foreign markets for agricultural exports;

Be it resolved, that the Association confirms the interim action taken by the National Board of Directors to oppose export restrictions on any and all agricultural commodities.

RESOLUTION NO. 4—FOREIGN TRADE STATISTICS

Whereas, U.S. Foreign Trade Statistics as compiled and publicized are subject to serious misinterpretation resulting in a distortion of the true relationship between exports and imports and creating a false impression of our trade and payment balances due to:

(1) Reporting of the value of U.S. imports on the basis of f.o.b. country of origin, instead of a c.i.f. basis (adding insurance and ocean freight), the system used by most other trading nations;

(2) Assigning an export dollar value to products given away, subsidized, or otherwise shipped under arrangements under which full value is not received.

Be it resolved, That the Association reaffirms its policy urging that sales for cash and monies actually received be clearly separated from other shipments in the reporting of U.S. exports, and that the Association continue to push for the valuation of imports on a c.i.f. basis as the accepted standard of procedure.

RESOLUTION NO. 5—LAND USE

Whereas, increased public attention is being focused on land use, with environmental and recreational considerations receiving disproportionate emphasis; and

Whereas, the right to own and use land for private purposes is basic to the American way of life and to our economic system; and

Whereas, land is perhaps our most vital natural resource, upon which we depend for food, clothing, shelter and recreation;

Therefore, this association holds:

(1) That Government interference with the right of the individual to own and use

land should be kept to the minimum consistent with the overall public interest;

(2) The dominate government role in connection with land use should rest with local and state governments;

(3) The role of the Federal Government should be limited to that of overall coordination and technical assistance;

(4) That the use of land for food production be given high priority, consistent with the need for ever-expanding production; and

(5) That freedom of ownership and land management be recognized as essential to a strong, healthy, and productive agriculture.

RESOLUTION NO. 6—TAX SHELTERS OR DEFERRALS

Whereas, accounting tax-loss investments in cattle feeding constitute government subsidization of custom feeding; and,

Whereas, such investments for tax purposes are a competitively inequitable source of financing which places owner-feeders at a competitive disadvantage and seriously distorts the supply and price patterns for feeder cattle and feedstuffs; and,

Whereas, this abuse of the cash system of accounting and reporting for tax purposes seriously jeopardizes the use of said system on the part of bona fide feeders.

Be it resolved, That the National Livestock Feeders Association supports the interim action taken by the Board of Directors in working with Treasury officials and the Joint Committee on Internal Revenue Taxation of the Congress to correct this type of abuse of the cash accounting and reporting system.

Be it further resolved, That the Association will specifically: (1) Closely follow the implementation of legislation and/or IRS rulings, including the recent proposal on prepaid feed to assure interpretation in a manner which will protect the interest of the bona fide feeder; (2) Push enforcement by the IRS of the legal prohibition of using accumulated expenses for tax write-off purposes.

RESOLUTION NO. 7—FARMLAND TAXATION

Whereas, there are problems in the tax structure and assessed valuations of farmland;

Be it resolved That the National Livestock Feeders Association urges state legislation be passed to assure that agricultural land be assessed according to its current earning capacity in agricultural purposes rather than to base assessments on sale price or on potential value as might occur from purposes other than agriculture.

RESOLUTION NO. 8—UTILIZATION OF ANIMAL WASTE

Whereas, animal waste should be viewed in the context of a valuable resource, rather than a disposal problem; and

Whereas, various treatment procedures have been and are being tried experimentally to use animal waste for the production of energy and other useful products;

Be it resolved, That the National Livestock Feeders Association shall continue to encourage experimentation in the use of animal waste, both as an energy source and as recycled feed ingredient.

RESOLUTION NO. 9—AIR QUALITY

Be it resolved, That any move on the part of the State or Federal Government to control odors from feedlots must be coordinated with the development of control technology and, furthermore, must give due consideration to the cost vs. the benefit concept.

RESOLUTION NO. 10—DES WITHDRAWAL

Resolved That the National Livestock Feeders Association strongly encourages those feeders returning to the use of DES to rigidly observe a 14-day withdrawal period before marketing animals for slaughter.

RESOLUTION NO. 11—ANIMAL RESEARCH

Whereas, despite the urgent need to expand agricultural production, and specifically meat production, animal research is inadequately supported to meet the growing challenge of the future; and

Whereas, the need for expansion and greater efficiency in animal production is essential to the nation's food supply and, therefore, the public interest dictates that greater attention be given to animal research; and

Whereas, close coordination between the Federal Government and the various state research institutions is necessary for research programs to be the most effective and produce the greatest results at the least cost;

Be it resolved That the NLFA strongly supports expanded animal research and calls for close coordination at all government levels, including the productive use of existing research facilities and personnel.

RESOLUTION NO. 12—EMERGENCY AND QUASI-EMERGENCY DISEASE CONTROL FUNDING

Whereas, the livestock and meat industry and the consuming public lives under the continuous threat of catastrophic disease outbreaks; and

Whereas, immediate action can often forestall outbreaks of epidemic or quasi-epidemic proportions; and

Whereas, in the past when special problems or outbreaks have occurred, the necessary action has been funded by "robbing" existing budgeted disease control and erradication projects, resulting in costly interruptions of these programs;

Therefore, be it resolved, That the NLFA urges special control actions resulting from special problems, outbreaks, or disease epidemics be handled and funded by:

(1) Focusing fully and immediately upon control measures at the moment of discovery with all of the resources necessary; and

(2) The documented cost of such work, including indemnity payments for animals depopulated, be presented to the Congress upon completion for budget reimbursement.

RESOLUTION NO. 13—CATTLE IDENTIFICATION

Be it resolved, That the National Livestock Feeders Association reaffirms its support of the United States Animal Health Association in its efforts to develop and implement a practical method of identifying cattle from the point or origin.

RESOLUTION NO. 14—FEEDER CATTLE MANAGEMENT

Whereas, there still remains a great deal of progress to be made in handling feeder cattle to the end that they arrive at the feedlot in a healthy, thrifty condition; and

Whereas, it is important for the feeder to know the health history of the animals purchased and placed on feed; and

Whereas, Livestock Conservation, Inc. has now assumed the leadership responsibility in this particular area;

Be it resolved, That the NLFA supports the action being taken by LCI toward the development and recommendation of disease control and other management techniques and practices which will further said goals; and

Be it further resolved, That the Association will continue to promote the preconditioning of feeder cattle at the point of origin.

RESOLUTION NO. 15—MISREPRESENTATION OF FEEDER LIVESTOCK

Whereas, it appears that some market agencies and/or livestock dealers are prone to misrepresent in one way or another the cattle they offer for sale, including an announcement or claim that the cattle are green or fresh from the grower when in fact they are not; and

Since such deceptive practices are violations of the Packers and Stockyards Act,

Be it resolved, That all market agencies and dealers be hereby alerted to the fact that misrepresentation of cattle offered for sale is in violation of the Act and will not be tolerated, and

Be it further resolved, That if and when any member of the National Livestock Feeders Association encounters practices that amount to misrepresentation, they be encouraged to report the incident to the nearest Supervisor of the Packers and Stockyards Administration for appropriate action.

Be it further resolved, That the NLFA shall work toward the enforcement of contracts and prosecution in case of default.

RESOLUTION NO. 16—ENFORCEMENT OF PACKERS AND STOCKYARDS ACT

Over the years, the members of the Livestock Feeders Associations have supported equitable and effective enforcement of the Packers and Stockyards Act, and have taken the position that this statutory code of trading ethics should be applied non-discriminately to those engaged in the business of buying and/or selling livestock.

Furthermore, the Associations have supported the basic enforcement concept inherent in the Act that packers should not be permitted to integrate into the selling side since such action, if allowed, would spell the doom of the independent owner-feeder and result in the type of packer domination of the industry which brought about the original passage of the P & S Act.

The National Livestock Feeders Association hereby registers its continued support of the above policy positions in connection with:

(1) Prohibiting packers from becoming involved in the ownership and/or operation of custom feedlots; and

(2) The non-discriminatory application of the Act to those engaged in the business of selling and/or buying livestock; provided, however, that due diligence be exercised in determining that the party in question is truly engaged in performing the functions of agency or is a dealer within the definition of the statute.

RESOLUTION NO. 17—PACKERS AND STOCKYARDS ACT

Whereas, previous attempts have been made by the National Livestock Feeders Association to obtain numerous amendments to the Packers and Stockyards Act which was passed fifty-three years ago and to cause this act to be more meaningful and applicable under changed conditions in the livestock and meat industries; and

Since certain resistance has been encountered due in part, at least, to the extent of the changes that have been sought:

Be it resolved That the Association concentrate its efforts for the time being on amendments that would clarify the jurisdiction of the Packers and Stockyards Administration, would provide authority for the Administration to seek injunctions or restraining orders through Federal Courts against registrants or packers in cases where it is evident that practices employed or financial conditions endanger the position of persons with whom they are doing business, would reform the reparation procedure to include its application to meat packers and fix the responsibility for payment or reparation claims that might be awarded, and provide that the packers be bonded as is required for livestock dealers.

RESOLUTION NO. 18—FUTURES TRADING—COMMODITY EXCHANGE ACT

Whereas, recent developments in the contract commodity markets have pointed up the need for more strict regulation of certain aspects of such trading; and

Whereas, legislation has been introduced in the U.S. Congress to amend the Commodity Exchange Act to strengthen the regulation of futures trading; and

Whereas, futures trading in live cattle and live hog contracts has become predominantly speculative, a condition which invites market manipulation;

The National Livestock Feeders Association favors amendments to the present law which will:

1. Provide injunctive authority to prevent violations of the Act;

2. Require additional delivery points where needed to assure that speculators cannot demand more than the cash value for commodities.

3. Prevent excessive speculation or manipulation of the market by:

(1) Avoid conflict of interest on the part of floor brokers and commission merchants by prohibiting them from trading on established markets for their own account in any commodity in which they handle customer orders, and strictly control said privilege on other than established markets;

(2) Establish appropriate limits on the amount of open interest which can be held by a futures commission merchant or speculator and provide for an appropriate rate of reduction of open interest as the delivery date approaches;

(3) Establish an appropriate limit on the amount of trading any party can do in a specified time (one day);

(4) Outlaw the handling of discretionary accounts on the part of commission merchants and floor traders, except on a temporary basis for short periods of time;

4. Require commodity markets and brokers to keep complete and accurate records;

5. Prevent foreign interests from speculating in excess of the limits set for domestic customers, and require the reporting of foreign sales;

6. Bring all agricultural commodities under regulation;

7. Other such amendments which are in the interest of improving market performance and protecting the interest of persons utilizing the contract markets.

The association is not in favor of setting up a new regulatory agency or transferring the regulatory authority from the U.S. Department of Agriculture.

With respect to live cattle and live hog contracts, the Association takes the position that:

(1) Disallow more than one redelivery of each given lot;

(2) Monthly contracts to enable delivery each month;

(3) Four days per week delivery.

RESOLUTION NO. 19—UNIFORM MARKETING

Be it resolved, That due to the recent penalties on over-finished cattle, we urge the livestock producer and feedlot operators to sell cattle when they are finished for grade. Because of the high cost of over-finished cattle with the high cost of gains brought on by the higher corn prices and protein, we urge that feeders sell at proper grade.

RESOLUTION NO. 20—RECOGNITION OF AND PAYMENT FOR CUTABILITY

Whereas, it behooves the feeding industry to do everything reasonably possible to produce fed animals whose carcasses will cut-out a high percentage of saleable lean meat within each quality grade and with minimum cover and waste; and

Since higher cutting carcasses provide economic advantages to slaughterers as well as retailers and any such economic advantage should also accrue to livestock feeders;

Be it resolved, That the National Livestock Feeders Association urges the meat packing and retailing industries to recognize clearly the value differences in carcass cutability, and strongly encourages sufficient differentials be paid to reflect real value; and

Be it further resolved That the feeder be encouraged to ask for grade and cutability results as a condition of sale.

RESOLUTION NO. 21—BEEF GRADING STANDARDS

Be it resolved, The Board of Directors is hereby instructed to address itself, directly or through a special committee, to improving the Beef Grading Standards and to work toward a consensus of other industry groups on possible changes to be made.

The following is for the guidance of the Board:

Relaxation of the Grades: The membership reaffirms its traditional policy of opposing a relaxation of the grade standards merely for labeling purposes, especially with respect to widening the Choice grade.

Conformation: The membership does not oppose transferring conformation from the present Quality Grades, provided the impact of conformation is measured either separately or in conjunction with the Yield Grades.

Creation of a New Grade: In connection with the proposal to create a new grade made up of the upper portion of the Good Grade, the members raised the questions as to whether or not there is a sufficient number of carcasses to warrant a separate grade designation and whether or not a new grade would gain ready acceptance as a working grade.

Marbling and Maturity: The membership supports the proposal that the emphasis placed on marbling and maturity remain unchanged for the present time.

Improvement of Standards: The members support the proposal that the USDA initiate efforts to improve the accuracy and precision of conformation criteria for the evaluation of muscling; and, furthermore, the Association strongly favors the challenge extended to research institutions to initiate intensive studies with the goal of developing criteria or data to provide a basis for improving the Beef Grade Standards.

RESOLUTION NO. 22—INSPECTION OF IMPORTED MEATS

Be it resolved That foreign beef imported to the United States be subject to U.S. domestic standards of inspection and subject to same restrictions as far as pesticides, antibiotics and feed additives.

RESOLUTION NO. 23—TRUCK WEIGHTS AND LENGTHS

Whereas, the lack of uniformity among states in the limitations placed on truck weights and lengths works a hardship on both truck operators and shippers; and

Whereas, the financial plight of Eastern and Midwest railroads along with the general erosion of railroad service have forced livestock and meat shippers to be more dependent upon truck transportation; and

Whereas, the energy situation is creating serious transportation problems, including a reduction in service;

Be it resolved, That the National Livestock Feeders Association supports moves now pending in the U.S. Congress and will aggressively work for the adoption of a uniform total weight limit of approximately 127,000 pounds and a length limitation of approximately 105 feet overall (equivalent of twin 40-foot trailers plus tractor plus dolly) on all Federal highways.

Furthermore, the Association hereby reaffirms Resolution No. 18 of 1970.

RESOLUTION NO. 24—PUBLIC RELATIONS PROGRAM FOR AGRICULTURE

Whereas, developments over the past two years have again vividly pointed up the need for establishing better rapport and understanding between the food and industry and the consuming public, legislators and government officials, and the news media; and

Whereas, a long-range, instiutional type public relations program can contribute to this goal; and

Whereas, the Agricultural Council of America has been established for the purpose of carrying on such programs for the benefit of agriculture as a whole;

Be it resolved, That the NLFA will support the Council financially in a moderate way, as determined by the Board of Directors and subject to conditions satisfactory to the Board;

However, it is the desire of the membership that the primary support from monies collected from livestock producers and feeders go to support commodity programs as carried on by the National Live Stock & Meat Board.

RESOLUTION NO. 25—MEAT BOARD AND STATE CHECK-OFF PROGRAMS

PART I—STATE COUNCIL REPRESENTATION

Whereas, many of the states have now established state check-off programs for research, education, meat promotion and public relations; and

Whereas, a sizeable portion of the monies collected under certain of these state programs goes to the National Live Stock & Meat Board and its species councils;

The NLFA recommends that an equitable system be adopted by the Meat Board to accord state check-off organizations representation on the appropriate species council of the Board, on the basis of the amount of monies contributed to the Board.

PART II—COORDINATION OF INDUSTRY PROGRAMS

Whereas, the formation of state check-off programs has resulted in a lack of coordination and in duplication of program activities in the expenditure of the funds; and

Whereas, in most cases, the major proportion of the monies collected can be utilized most effectively for the benefit of the Industry, including livestock operators in the given state, in well-coordinated national programs of research, education, meat promotion and public relations; and

Whereas, the need is clear for an expanded public relations program on behalf of the livestock and meat industry;

Be it therefore resolved, That the Association supports the Meat Board in its move to undertake an expanded public relations program on behalf of the Industry.

Be it further resolved, That the NLFA encourage all state check-off groups to make a substantial contribution of funds collected available to the National Live Stock & Meat Board.

RESOLUTION NO. 26—LIVESTOCK AND CROP ESTIMATES

Whereas, livestock and crop estimates compiled and published by the Statistical Reporting Service of the U.S. Department of Agriculture are an essential informational source for the industry and, also, benefit the consuming public; and

Whereas, the SRS must be in a position to carry out its responsibilities in this regard in a manner to obtain the highest degree of accuracy possible;

Be it resolved, That the NLFA strongly supports the livestock and crop estimates program carried on by SRS and will use its influence to obtain sufficient appropriations to permit the SRS to carry out its responsibility effectively.

RESOLUTION NO. 27—PREDATOR CONTROL

Be it resolved, That the National Livestock Feeders Association is opposed to action of the Environmental Protection Agency in banning the use of chemicals, drugs and devices generally conceded to be desirable for use in control of predators and rodents.

RESOLUTION NO. 28—COMPLIMENTS TO SECRETARY BUTZ

Whereas, the policies of Secretary of Agriculture, Earl Butz, have been very beneficial to the American farmer; and

Whereas, he correctly warned against price controls on agricultural products;

Therefore, be it resolved, That the National Livestock Feeders Association commend Secretary Butz for being a true friend of the farmer; and

Be it further resolved, That, as the implementation of price controls proved him right,

we urge agricultural policy makers to heed his advice and allow agriculture to operate in a free economy.

RESOLUTION NO. 29—FREE MARKETING SYSTEM

Be it resolved, That the National Livestock Feeders Association work to maintain an open and free enterprise market system and we will continue to oppose any legislation to jeopardize the free market systems by Government or organizations.

We believe it is to the best interest of the American farmer to exercise self-discipline and market his commodity in an orderly manner.

RESOLUTION NO. 30—APPRECIATION

Be it resolved, That the Association express its appreciation and gratitude to all those who assisted with the 1974 convention, including the Convention and Visitors Bureau in Kansas City, all convention speakers, exhibitors, hosts and sponsors of the numerous events which made the 1974 National Livestock Feeders Convention a most memorable one.

THE KILLING OF DOLPHINS

Mr. HARTKE. Mr. President, during the 92d Congress, legislation was passed to protect marine mammals. I am proud to have played a part in the passage of that legislation as a member of the Senate Commerce Committee.

Recently, I received a letter from a young student in Pennsylvania, Daniel Bernard, together with two fellow students. That letter notes that dolphins are being killed as the direct result of the method which Japanese fishermen use to catch tuna. Nets are used to catch the tuna, and dolphins get caught in these nets and are unable to come to the surface in order to breathe.

I am hopeful that an alternative method of catching tuna can be found, and have written a letter to the Japanese Ambassador to the United States urging his government to investigate this matter.

Mr. President, I ask unanimous consent that the text of the letter from Mr. Bernard and my letter to the Japanese Ambassador be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., April 5, 1974.

His EXCELLENCY,
TAKESHI YASUKAWA,
Ambassador, Embassy of Japan, Washington, D.C.

DEAR AMBASSADOR YASUKAWA: I am enclosing a copy of a letter I received recently from some young students. They express a concern about the unintentional killing of dolphins at the time when Japanese fishermen are catching tuna.

I would greatly appreciate your government's study of this matter with a view toward alternative means of catching tuna which does not, at the same time, result in the killing of dolphins.

Thank you for your cooperation in this matter. With my best wishes, I am

Sincerely,

VANCE HARTKE,
U.S. Senator.

SAVE THE DOLPHINS!

Dear Senator, we have found out from a very reliable source that several tuna fish companies in Japan have been killing vast numbers of dolphins within the last few years and we dislike the way they kill hapless dolphins. In the process of catching tuna fish with nets dolphins get cought (caught) in these nets and cannot serface (surface) to breathe. We would like to suggest that these companies use another method of catching the tuna fish and would appreciate it very much if you could write a letter to the Japanese Government. We are very concerned about the killing of these beautiful creatures!!

For more information write to: Daniel Bernard, 210 Remington Road, Broomall, Pa. 19008.

(Signed) Daniel Bernard, Bryan Naff, Mike D'Orazio.

STRIPPER WELL INCENTIVES

Mr. FANNIN. Mr. President, one of the wisest acts of Congress during the energy crisis has been to provide incentives for the operation of marginal oil wells, commonly referred to as stripper wells.

Through price incentives we have brought these marginal wells back into production and we have encouraged the continued pumping from wells which might otherwise have been abandoned. It is very important to understand that through this program we have produced a significant amount of oil that might otherwise have gone to waste; it simply never would have been pumped out of the ground because without incentives it was not profitable to go to all the trouble and expense of wringing this oil out of the Earth.

Mr. President, today I received a letter from William Simon, administrator of the Federal Energy Office, reaffirming the success of this program and clearly stating the need for its continuance. I ask unanimous consent to have this letter printed in the RECORD so that all my colleagues may have a better understanding of why we need the stripper well incentives:

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEDERAL ENERGY OFFICE,
Washington, D.C., April 6, 1974.

Hon. PAUL J. FANNIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR FANNIN: The question continues to arise concerning the wisdom of the "stripper well" exemption in the Emergency Petroleum Allocation Act. This communication reflects my present concerns about the future of that provision.

As you know, Congress has approved, on two occasions, legislation containing an exemption from price controls of all crude oil produced from stripper wells. The Alaskan Pipeline bill was the first vehicle for such an exemption, and was closely followed by the enactment of the Emergency Petroleum Allocation Act which contains a similar exclusion.

FEO regulations currently exempt from price controls crude oil produced from a lease whose average daily production for the preceding calendar year does not exceed 10 barrels per well. The aim of this provision is to delay the shutdown of a marginal well by providing an incentive to the producer to extend the productive life of the well. The added revenues to the producer may also help finance additional exploration and development.

It is significant to note that the majority of stripper wells are owned by the independent segment of the domestic petroleum producing industry. This is the same portion of the industry which drills approximately 85 percent of the exploratory crude oil and natural gas wells in the United States. Thus, the exemption is vital in order to generate the additional revenues necessary to ensure a continuation of this high percentage of domestic exploration by the independent producer.

Today, there are an estimated 360,000 stripper wells operating in the United States, producing an average of 3.5 barrels of crude daily. Stripper production accounts for approximately 13 percent of the Nation's daily crude oil production. Approximately 5.1 billion barrels of the Nation's proven recoverable reserves of approximately 35 billion barrels (this includes the North Slope's 10 billion barrels) underlie what are presently stripper wells. Since all producing wells eventually become stripper wells, any step preventing their premature abandonment will significantly contribute to this Nation's proven reserves. For example, the stripper well exemption is enabling continued production from some little known oil producing areas, such as the State of New York which has approximately 5,500 wells currently in production. It should also be noted that the maximization of stripper production has significant economic advantages; the wells are already drilled, the tubular goods in place, and there remains no risk of encountering a dry hole.

Recent reports have indicated that the stripper well exemption is paying additional dividends. Due to the higher prices for stripper oil, remedial work in stripper areas has significantly increased. The results of proper maintenance and, in some cases, complete workovers could add another 200,000 barrels per day or more to U.S. crude supplies. It is imperative that this level of production be maintained. We are also encouraged by reports that drilling rig activity has increased 36 percent over the comparable time period of last year.

In some midwestern states, such as Kansas, production from stripper wells constitutes a very large portion of the state's total crude supply. Anything less than an incentive to continue production from these wells would work a hardship on small inland refineries dependent upon the maintenance of a nearby supply.

Because of the time lag inherent in making available to the consumer alternate sources of energy, it is vital that we extend the production already in existence. For these reasons, I strongly recommend the continuation of the stripper well exemption and oppose elimination of it. We should not put in jeopardy such a significant percentage of U.S. crude supplies because of a failure to recognize the higher costs associated with the production of that oil.

Sincerely yours,

WILLIAM E. SIMON,
Administrator.

CONGRESSIONAL RESPONSE TO PRESIDENT'S VETERANS MESSAGE

Mr. HARTKE. Mr. President, yesterday, my distinguished colleague in the House of Representatices, OLIN "TIGER" TEAGUE, of Texas, responded to President Nixon's nationwide address on veterans of a week ago. TIGER TEAGUE is the ranking Democratic member on the House Veterans Affairs Committee and until the beginning of the 93d Congress, served as its chairman for the past 25 years. Representative TEAGUE clearly addressed the problems facing veterans and said that "the President seems to be completely misinformed about the problems in the Veterans' Administration." Such a

view may be the most charitable characterization that can be applied—particularly if a report by Bob Schieffer on the CBS Sunday News on March 31 is correct. According to Schieffer, an internal White House memo surfaced accidentally which revealed that the President had originally planned to point out that unemployment among veterans was declining. When figures showed the opposite, CBS reported that the White House memo tried to make the best of the situation by, and here CBS quoted from the memo: "posturing Richard Nixon as cracking the whip over the VA." This "posturing" by the President was according to the White House memo "appropriate politically". To date, I am aware of no denial of the account by CBS and I can only conclude that it is accurate.

Mr. President, it is obvious that we need more than "posturing" by the President and we need less of the sort of *self-investigation* which has come to be known as the "Ehrlichman Gambit."

Mr. President, I ask unanimous consent that the full text of Representative TEAGUE's remarks yesterday be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

ADDRESS BY THE HONORABLE OLIN E. TEAGUE, MEMBER OF CONGRESS

Last Sunday in an address to the nation, the President acknowledged that there are serious problems in the Veterans Administration education and medical programs. Unfortunately, his solution was all too familiar. He called for self-investigation. He said he had directed the Administrator of Veterans Affairs, Donald Johnson, and the Office of Management and Budget to take a hard look at services provided by the VA and report back to him in eight weeks. He also said that he was directing the Administrator of Veterans Affairs to conduct a thorough investigation of veterans hospitals and clinics to report to the President within 60 days. He announced still another study committee of several cabinet members to be headed by Administrator Johnson. I happen to personally know that two years ago President Nixon directed Administrator Johnson and the Director of OMB to make an investigation of medical programs and I have heard nothing from it.

The President seems to be completely misinformed about the problems in the Veterans Administration. The Agency does not need more committees and self-investigation. It needs a change in top level management. There is no real basis for expecting any improvements when the man who has caused most of the problems is investigating himself.

The nation's major veterans organizations, the administrators of schools and colleges across the country, and tens of thousands of veterans know there is a serious problem in administering the education program and getting benefits checks to veterans on time. In spite of all the complaints and publicity that this serious problem has received, the House Committee on Veterans Affairs was advised by the Administrator, "We do not believe more people at this time would solve our problems. . . . It is our opinion that a request for more people in the benefits area is not warranted." A few weeks later the Directors of the Veterans Administration Field Offices reported to Administrator Johnson that if they were to keep their programs current and deliver checks on time, they would need in excess of 1500 additional people.

The Administrator of Veterans Affairs not only seems incapable of understanding the nature of the problems confronting his Agency, but stubbornly refuses to admit there is a problem. Now we are expected to believe that after 60 days inquiry this same man will come up with the answer.

The problems of the Veterans Administration hospital and medical program are directly traceable to mismangement by the Administrator of Veterans Affairs. For several years he has appeared before the Appropriations Committees of the Congress and opposed any attempts to add funds for the medical program and contended that no additional funds were needed. Despite that, Congress in the last several years has added about one-half billion dollars in appropriations for VA medical services. Two years ago these additional appropriations were made available just in time to improve staffing and head off a strike by nurses and doctors in the VA hospitals at Boston, Massachusetts, Portland, Oregon, Miami, Florida and one or two in the New England states.

Administrator Johnson has completely wrecked the leadership of the Department of Medicine and Surgery. Despite the fact that the White House had approved Dr. Marc J. Musser, Chief Medical Director of the Veterans Administration for a new four-year term beginning in January of this year, the Administrator has maintained a continual harassment of Dr. Musser and his major assistants. The result is that the Chief Medical Director and the Deputy Chief Medical Director have resigned and many highly competent doctors and other professional persons in the Department of Medicine and Surgery have been transferred or pushed into resignation or retirement. With Dr. Musser's departure from the Agency we have lost a doctor widely recognized by the medical community as an extremely capable and dedicated professional.

The Health and Hospital Subcommittee of the Senate Veterans Affairs Committee, has announced it will conduct a full inquiry. Now with the veterans medical program leaderless, the Administrator of Veterans Affairs, who created the problem in the first instance, is going to spend eight weeks in investigating the problem.

In the 25 years I have served on the Veterans Affairs Committee, I have never seen morale in the Veterans Administration at a lower state. This is the direct result of political manipulations by the Administrator and is the root cause of most of the Agency's problems.

Administrator Johnson has made the Veterans Administration a dumping ground for ex-CREEPS. Incompetent former campaign officials and inexperienced, unqualified persons have been placed in important positions at high salaries. Competent professional people have been pushed aside to make way for these people. Now the veterans of the country are saddled with political appointments and ex-CREEPS. The result is that the veterans programs of this nation are deteriorating.

We have repeatedly tried to call these matters to the attention of the President, although we are not sure that the information which we have supplied the White House has reached the President.

The President reiterated his recommendation for an 8% increase in education benefits. He neglected to advise the public, however, that Congress is already working on this matter, and on February 19 of this year by a vote of 382–0, the House of Representatives passed a bill which would increase education assistance allowances by 13.6% at a first year additional cost of $561 million. This amount is necessary to bring rates in line with increases in the consumer price index since the last increase. The Senate Veterans Affairs Committee is holding hearings on education rate bills now.

A number of us in Congress are puzzled that in any survey of veterans problems the President would neglect to mention the need for cost-of-living increases for service-connected disabled veterans and survivors. An increase of approximately 15% will be required to adjust these payments to changes in the consumer price index since the last increase. The House and Senate have completed Subcommittee hearings on this subject and expect to work up the bill this week.

The President spoke at some length in his radio message about the plight of Vietnam veterans in securing jobs upon their return to civilian life, and indicated that he had launched a six-point program to correct this situation in June 1971. Congress enacted Public Law 92–540, which among other things, mandated the immediate hiring of 67 federal veterans employment specialists by the Labor Department to aid in securing employment for young Vietnam-era veterans. The Labor Department has failed to add a single specialist until more than one year after enactment. Even today, fewer than half of those positions are filled.

In defending his record, Administrator Johnson said that the Administration is now spending more than 13.6 billion dollars on veterans, ⅔ again as much as was spent just four years ago.

Let me emphasize that it is the Congress of the United States, not the Administration, that appropriates money. Appropriations by Congress for veterans benefits have risen from 7 billion dollars in 1969 to 13.6 billion dollars under consideration for 1975. Practically all these funds go into direct benefits for veterans. The problem at VA is one of administration, not appropriations.

Each year for the past four years, Congress has found it necessary to add substantially to the budget proposed for the Veterans Administration. There is not the slightest doubt that Congress has, and will, appropriate the funds necessary to meet the legitimate needs of veterans if the Veterans Administration will be honest and cooperative in identifying those needs.

Veterans Affairs have never been permitted to become a partisan issue in the Congress and we do not expect to allow such a thing in the future. Over the years the Veterans Administration has been a non-political, highly professional, Agency. Most of its problems today grow directly out of the attempts of Administrator Johnson to inject politics in this Agency. Apparently, this situation is so serious an investigation by the Civil Service Commission may be required. I cannot believe that the President of the United States wants to make the Veterans Administration a political agency; therefore I must conclude that he is not fully informed.

Major veteran organizations of this country have concluded that there must be a change in VA management. The National Commander of the Disabled American Veterans said that frustrating inefficiency and bureaucratic bungling under Johnson prove beyond doubt that Johnson and his ranking administrative staff are totally incapable of coping with problems facing the American veteran, especially the service-connected disabled veterans.

The National Commander of the Veterans of Foreign Wars in a telegram to the President said, "I again urge you to reconsider and revise your legislative recommendations and to place competent leadership at the helm of the Veterans Administration and in other vital positions in that Agency to insure availability of first quality medical care and apt administration and prompt payment of direct benefits."

The Paralyzed Veterans of America called for the immediate resignation of Donald Johnson as Administrator of Veterans Affairs and said that under Johnson's misdirected guidance there has been a deterioration of veterans programs.

The proposals of the President for self-investigation are to me ridiculous and will not solve the problems of VA. I share the view of major veteran organizations that a change in top administration of VA is necessary. Competent management for that Agency can be found.

Just this week Congress demonstrated its concern for veterans, particularly those with service in Vietnam, by appropriating an additional $750 million for additional GI Bill benefits. Congress is steadfast in its determination that veterans affairs remain nonpartisan. We stand ready to meet the needs of the men and women who have served our country in time of war.

Good Day.

Mr. HARTKE. Mr. President, it is most disturbing to have a man who is intimately involved with veterans' matters as TIGER TEAGUE say that in his 25 years he has served on the Veterans' Affairs Committee, he has "never seen morale in the Veterans' Administration at a lower state."

In addition, the circumstances surrounding the resignation of Dr. Marc J. Musser as Chief Medical Director of the Veterans' Administration just 3 months after his reappointment is equaly alarming. The Subcommittee on Health and Hospitals, so ably chaired by the senior Senator from California (Mr. CRANSTON), will begin hearings on April 23 which will probe the basic control and direction of the VA's Department of Medicine and Surgery. No Member of the Senate has worked harder or achieved more in the past 5 years to improve the quantity and quality of VA health care than Senator CRANSTON. His dedication to first-rate medical care for our Nation's veterans is well known and without partisanship. Thus, his deep concern and distress over the problems concerning the direction and control over the medical policies within the Veterans' Administration are fully shared by me and worthy of serious and detailed consideration in the forthcoming hearings.

Mr. President, I would caution, however, that our concern over inept, ineffective, or partisan leadership within the Veterans' Administration should not obscure larger issues which transcend personalities. Changes in personnel without corresponding changes in policy will be cosmetic at best. Until policies are changed and those who make the basic policy are identified and made accountable to Congress for the indecisions, little will be changed. I believe this was well illustrated in an Evans and Novak column today and I ask unanimous consent the full text of that column be printed in the RECORD at this point.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 8, 1974]

HALDEMAN-EHRLICHMAN LEGACY: CHAOS IN THE VA

(By Rowland Evans and Robert Novak)

The horrors now afflicting the nation's veterans programs can be traced to the radical plan of the old Haldeman-Ehrlichman White House, officially repudiated but surviving nevertheless, to centralize all power in the Oval Office during President Nixon's second term.

Although H. R. Haldeman and John D. Ehrlichman are long gone, their grand design endures—administered by spiritual heirs and generally ignored by Watergate-preoccupied Washington. The disruptive results are now surfacing in one agency after another. In the Veterans Administration (VA), the political explosion has just begun.

A central feature of the Haldeman-Ehrlichman plan was to place trusted Nixon aides, from the White House and the widely defamed Committee for the Re-Election of the President (CREEP), in key positions of executive departments. Running the government then would be Haldeman and his staff, backed by the Office of Management and Budget (OMB) headed by Roy Ash and his deputy, Fred Malek, who had been second-in-command at CREEP.

Named by Malek to be White House agent for VA's multibillion-dollar operations was Frank Naylor, fresh from a stint at CREEP rounding up veterans organizations' support for the Nixon-Agnew ticket. Naylor moved into VA's plush 10th floor executive offices as a supergrade 18 paying $43,926.

Other CREEP alumni from the Malek stable moved to lesser VA jobs. Among the many: Michael Bronson, a CREEP field representative as assistant administrator for planning and evaluation; Andrew Adams, a Kansas coordinator for CREEP as deputy director in VA's now-embattled education division.

What was happening at the VA reflected a radical effort to give the White House total control of all major bureaus and departments. Now, 15 months later, the outcome at the VA is clear: utter disaster.

Naylor, who came to VA without experience in the agency's highly specialized work, has now been quietly shunted to the Farmers Home Administration. Bronson is on his way out. Adams, a polio victim confined to a wheelchair, is slated to run the new rehabilitation office in the Department of Health, Education and Welfare (but powerful congressmen may block that appointment).

This accelerating collapse of the Haldeman-Ehrlichman centralization of power barely begins the story of the VA's crisis.

The American Legion cheered when then Republican Sen. Jack Miller of Iowa (defeated for re-election in 1972) persuaded Mr. Nixon in 1969 to name Don Johnson, a fringe Iowa Republican politician and former national commander of the Legion, to head the VA. Today, however, even the Legion has soured on Johnson's performance running the VA's 171 hospitals, 59 regional offices and tens of thousands of employees.

"Don," said one congressional critic, "is a political primitive who plays everything by the Malek rule book." Malek's first rule is saving money. Thus, Johnson's critics complain he automatically overrides his own experts, plus the organized veterans' lobbies, to accept OMB's budget proposals even at the expense of essential veterans' services.

The most dramatic case was the Johnson-contrived ouster last week of Dr. Marc J. Musser, VA's highly regarded chief medical director. In a private letter April 3 to Rep. Olin Teague, ranking Democrat on the Veterans Committee, and Sen. Alan Cranston, chairman of the Senate Subcommittee on Veterans Health and Hospitals, Musser said that "an antagonistic and uncooperative administrator (Johnson)" made his job impossible and that "the infiltration of the department by personnel selected and appointed by . . . the administrator has virtually eliminated any possibility of functional integritcy" in the medical branch.

When Musser came under attack by Johnson's office last year, then presidential counselor Melvin Laird interceded. Laird wrung from Johnson a firm agreement to stop interfering with Musser's operation.

More significant, Mr. Nixon himself strongly indicated to Teague last December that Musser would stay. Now, with the President preoccupied with fighting impeachment and with Laird gone, Musser has been hounded out of office.

Musser's top deputy, Dr. Benjamin F. Wells, was also forced out. Wells told us Johnson "just could not stand" Wells' connections with powerful congressional Democrats.

By throwing its full weight behind Johnson, OMB retains draconian control over Va's budget. The cost is high: loss of support from the powerful veterans' lobby, from tens of thousands of Vietnam veterans, and administrative chaos in the VA. Such is one bitter after-taste of the Haldeman-Ehrlichman blueprint for power.

WHY DO WE HAVE AN ENERGY CRISIS?

Mr. HANSEN. Mr. President, as I have said so many times before, it is discouraging to see and hear the continuing outpouring of sheer vindictiveness against the petroleum industry as the perpetrator of the energy crisis, or hoax, as some have termed it.

But, it is equally refreshing to occasionally see or hear an intelligent and objective analysis of the energy problem such as one carried in the January/February issue of the Wyoming Alumnus.

Donald Stinson, who is head of minerals engineering at the University of Wyoming, has answered the question of why we have an energy crisis in easily understood language and I believe it would benefit many of us in the Senate to take a few moments to read his analysis and recommendations.

I ask unanimous consent that his article, "Why Do We Have An Energy Crisis?" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHY DO WE HAVE AN ENERGY CRISIS?

(By Donald Stinson)

(EDITOR'S NOTE.—The University is in an advantageous position to contribute suggestions for dealing with the energy shortage. On the following pages articles from various viewpoints are presented.)

We have all heard the reasons why we have an energy crisis or at least who is to blame: the big oil companies, the Arab countries, the President, the Communists and Russia, the environmentalists—or if all else fails, you can be sure it has been the Democrats or Republicans.

Here in Wyoming where we have recently experienced a beef crisis played to the same scenario, the situation should not be hard to understand. The prime source of the problem came from inept, bungling, federal controls. On the energy scene where significant new sources take tens of years to develop the time scale was much longer.

In fact, it all started about 20 years ago, when the United States Supreme Court ruled that the producers of natural gas as well as the interstate natural gas transmission companies were subject to control by the Federal Power Commission under the Natural Gas Act of 1938. During the intervening years only gas and gold have been subject to federal price ceilings.

At the height of World War II we produced over two-thirds of all the oil produced in the world. By 1953 the continental United States was still responsible for over half the production and consumption of crude oil for the whole world. Our natural gas production was almost 10 times that of the rest of the world combined. Our coal production was the larg-

est in the world and efficient enough to export significant quantities.

The competitive nature of the energy market and the ability of users to convert from one form of energy to another spread the basic problem from natural gas to all other forms of energy production and consumption. In most parts of the country a home could be heated by natural gas, oil, coal, or electricity for instance. Electrical power could be generated with waterpower or by burning natural gas, oil, or coal. This consumer discretion is similar to a housewife's selection of beef, pork, fish, or chicken to feed her family, except that it takes a power plant much longer to change its choice.

In 1954 the natural gas industry was going through a critical period when conditions and prices were changing rapidly. During and immediately after the Second World War large volumes of natural gas either found when searching for crude oil. or produced with crude oil, were available at very low prices. Since in many cases the only alternative to selling this natural gas was to flare it, much of it was actually sold for less than the cost of air at the same pressure. Prices as low as 3 to 5 cents per 1,000 standard cubic feet were not uncommon. As long as gas was being flared it made good sense to use this surplus gas to replace: oil at refineries, electricity for street lighting, or coal for power plants. Long distance pipelines were constructed to replace small manufactured gas systems supplying gas primarily to residential and small commercial customers in large cities. The availability of large volumes of gas at such low prices also permitted the long distance transmission lines to be built for maximum capacity, enabling them to sell the surplus natural gas to large industrial customers at competitive prices.

The only thing such low prices did not reflect was the actual value of the material being sold. Typical natural gas sold at 10 cents per 1,000 standard cubic feet on an energy basis is the equivalent of 60c per barrel for crude oil and $2.00 per ton for coal. Obviously at such prices the demand for natural gas continued to expand.

As the surplus of natural gas began to disappear and the demand continued to increase, the price of natural gas started to move up. It was at this point that the Federal Power Commission, at the direction of the Supreme Court, moved in to artificially control the price of natural gas. The price freeze prevented the natural and desirable course of increasing prices which would have forced heavy industrial customers off the pipelines to conserve the limited supplies for residential and critical industrial applications.

As one might expect, the petroleum companies and other natural gas producers protested such actions loudly. Pricing filet mignon below hamburger can be expected to produce an extreme shortage of filet mignon. Hines H. Baker, President of the Humble Oil and Refining Company, stated in 1954:

"Presumably, the purpose of a plan to fix the producer's price of gas is to establish it somewhere *below* what would be established by competition. It is clear that such low price would tend to increase the number of customers desiring gas, the number of household installations, and the demand for gas. But the low price would lessen the incentive to explore for and develop gas. This would lower the rate of discovery of gas reserves. With demand increasing and rate of discovery decreasing, after a time a definite shortage of gas occurs. . . . Thus, the primary interest of the consumer is defeated."

No gas wells were shut-in during the next few years. The number of oil and gas exploratory wells declined only slightly and the public decided that the oil and gas industry had cried wolf and nothing was really going to happen. The steep and unchecked decline of the ratio of gas reserves to yearly production was largely ignored outside the industry.

The long-term availability of natural gas at low prices in the world's principle energy market produced subtle but significant long-range effects. It placed an effective ceiling on the world price for residual fuel oil. It discouraged the construction of coal-fired power plants. It retarded the construction of nuclear power plants. It produced flagrant consumption of energy with an almost complete disregard for efficiency or ultimate cost to society. Here in Wyoming there are numerous public buildings with no storm windows or provisions to reduce temperature at night or during holidays. We have industrial power plants in the midst of some of the world's richest coal fields burning natural gas because it was the cheapest fuel available when these plants were constructed.

During this period the funds that should have been invested in the search for new domestic natural gas and crude oil supplies were invested in other activities. During the two decades following the Supreme Court Decision, American oil companies discovered major oil fields in Australia, Nigeria, Algeria, Egypt and Libya as well as offshore fields near Great Britain, Norway, Denmark, and Iran. These companies also made many investments in other fields. During these years the production of natural gas and crude oil and the refining of crude oil in the United States was not yielding a satisfactory rate of return. It has been frequently mentioned that our major oil companies are some of the largest companies in the world. But there is no company large enough to justify investing its stockholders' money in activities that the company knows will not yield a satisfactory rate of return.

By the early 1960's the stage was set. The world's largest energy producer was rapidly increasing its consumption of all forms of energy while effectively preventing any price increase that might reduce its appetite or increase its own supplies. The following events, forced by public opinion, read almost like a sinister plot to incapacitate the nation.

As a result of growing concern over the environment and for the preservation of our natural rivers, the construction at most of the desirable hydroelectric dam sites in this country was blocked. Hell's Canyon, Marble Canyon, and many other sites were preserved, but many millions of kilowatts of clean electrical generating capacity were lost.

Reflecting the same concern for the environment, additional drilling in the Santa Barbara Channel was banned. This halted the development of one of the most promising oil regions in the country.

Because of some of the same concerns, exploratory drilling off the coast of New England, the South Atlantic States, and parts of Florida was also banned or seriously delayed. These are not proven oil provinces, but only drilling can establish if there is oil there.

Then at the eleventh hour the oil industry discovered the largest crude oil deposit ever found on the North American continent and announced plans to build a pipeline across Alaska to deliver this oil to the American markets. The construction of this line has been delayed for over five years by environmentalists and governmental red tape.

Here in Wyoming there have not been any outright bans on drillings, but the delays and problems in leasing and drilling on the public lands have increased and the oil finder's job has become harder because of them.

The final blow to the exploration for crude oil and natural gas was the reduction in the depletion allowance from 27½% to 22%. This a whole story in itself, but the facts indicate that it was reduced when we needed it the most. To reduce the incentives for the exploration and discovery of natural gas and crude oil in the face of an imminent shortage of both can only be described as bordering on lunacy.

In the same vein, the major gas and electric utilities and the principle oil companies continued to encourage customer usage by advertising, promotion, and rate schedules even after it became apparent that serious shortages were impending. In fact, some companies were compelled to restrict such activities only in response to consumer pressure after shortages had actually developed. In many cases such as electrical home heating or gas lighting, the application was promoted even though it was an inefficient use of the energy resource.

Crude oil refineries or expansions were not only turned down in places like Cheyenne for financial reasons, but new construction came to a standstill in almost the whole country. From Maine to Washington and Florida to California, companies wishing to construct new oil refineries ran into local and state denials. These rejections were not quite as complete as were those for requests to build superports to handle large superbankers. Thus, the United States today does not have a single port capable of handling the large supertankers that have been providing the cheapest method of transporting crude oil for the last 15 years.

With growing concerns for clean air, the large coal fired power plants became a favorite target of the environmentalist. Many coal fired power plants converted to cheap natural gas or fuel oil rather than import low sulfur Western coals or clean up their stacks while using high sulfur Eastern coals.

The Environmental Protection Agency controls on automobiles have increased the gasoline consumption nearly 10 percent by lowering the efficiency of the automobile engine in an effort to control air pollution.

If all of these actions had been perpetrated by a group pushing the relatively clean nuclear power, it might be easier to understand. Because of their thermal pollution and radiation risks, nuclear power plants have been delayed and harassed almost as much nuclear devices to stimulate natural gas proas new oil refineries. Experiments to test nuclear devices to stimulate natural gas production in western Wyoming have been blocked for similar reasons.

Solar, geothermal, and fusion power as significant factors in the national energy supply are only dreams for sometime in the far distant future. The solutions for today and the immediate future will involve Wyoming's natural gas, crude oil, coal, uranium and shale oil.

The Arab nations, by their oil embargo, only pushed us into a hole we had already dug for ourselves. The world, and particularly the United States, cannot afford the unreasonable demands being made on natural gas and crude oil because of their ready availability and, until recently, their low prices. Some studies have estimated Wyoming coal reserves at more than 400 billion tons of coal. The energy potential of this much coal exceeds all the world's known oil reserve. Long term prices of $10 per barrel for crude oil, like recent Middle East prices, and one dollar per 1,000 standard cubic feet for natural gas, like the United States has recently offered the Soviet Union, instead of our 16.2c would benefit Wyoming more than any other state in the Union. Such prices would not only triple Wyoming's tax income from minerals, but they would stimulate the development of uranium, coal, and shale oil. Perhaps Wyoming could apply for membership in the Organization of Petroleum Exporting Countries. Wyoming does export close to 90% of the oil we produce.

THE CONSUMER ENERGY ACT OF 1974

Mr. STEVENSON. Mr. President, the Senate Commerce Committee has been at work for several months on a major legislative effort to restore the conditions of a free market to the oil and gas industry. The purpose of the Consumer Energy Act of 1974 is both to restore competition to the industry and help bring supply back into balance with demand. Until then this act would protect the economy from energy inflation by controlling the wellhead prices of oil and gas in those sectors of the energy market where competition and the laws of supply and demand cannot do the job.

The act is now being marked up in the Commerce Committee. If we do not proceed on such a moderate path as this act proposes, an indignant public will in time insist upon drastic steps to assure an adequate supply of energy at reasonable costs. Already demands are heard from many quarters that the oil industry be fully regulated or nationalized.

I do not believe that either is the answer. But the need for action is manifest.

The cost of living continues to go up.

The wholesale price index in March rose at a 15.6-percent annual rate. That means more energy-induced inflation is on the way.

Rising energy prices hit our economy at every stage of the manufacturing and marketing process. They hit essential public services. Schools must lay off teachers to pay the energy bill. The prices have a reverberating impact—a multiplier effect—that buffets our national economy and our entire system unmercifully.

The principal cause of this appalling inflation is the cost of energy. Wholesale fuel costs rose at an annual rate of 57 percent in March. The cost of refined petroleum products was up 146 percent over a year earlier. The public is acutely conscious of energy costs at the gasoline pump, but not yet of its high cost in the price of every other commodity and service. Energy costs account for 30 percent of the cost of food; 17 percent of the cost of steel. This inflation throughout the economy caused largely by energy costs and certain to get worse, could be the source of social unrest, as well as severe economic distress.

The major oil companies make a convenient target. But we must acknowledge that the great petroleum companies are not alone to be blamed. They exist to serve their stockholders—not necessarily the national interest. If they act in a way that maximizes profit to the exclusion of national welfare, they are simply acting in what they think is their self interest. We should not be surprised—nor outraged—but well aware by now that what is good for Exxon is not necessarily good for the country.

The oil companies have been maximizing their profits. The price of gasoline rose 12 to 15 cents per gallon in 1973; the industry proposes to raise it at least 10 cents in 1974. The price of other petroleum products is increasing even more sharply.

For every penny the price of a gallon of gasoline is increased, $1 billion more flows into the coffers of the oil industry.

At this rate, revenues gathered by the major oil companies which increased by more than $24 billion in 1973 will increase at an even higher rate in 1974.

There is no way such huge amounts can be spent on new exploration and development for oil and gas. And if the oil companies were to take over the alternative sources of energy, including coal, shale, nuclear, and the more esoteric sources of energy like solar and geothermal, then a vertically integrated industry would become horizontally integrated also, and the Nation would be even more exposed to its mercies.

When adjustments are made for different accounting procedures, it will be found that the profitability of this industry was among the highest of all industries even before it took advantage of decreased supply to increase prices.

The major oil companies are concerned with profits as we might expect of any "for profit" corporations.

But when those large and growing profits have such enormous impact on the public interest, to whom shall the people turn?

The answer is obvious: to those who are elected to represent the people and guard the public interest—the President and the Congress. When the first quarter profits of the major oil companies are announced in another week or so, the people will look to the Government for relief.

Yet, President Nixon offers no relief, only more of the same—more tax breaks for this most pampered industry; still higher profits for the industry; more public lands to plunder; more license to pollute the air, more inflation, more unemployment—and more shortages. The administration and the major oil companies threaten, Samsonlike, to bring down the American economic temple upon our heads.

The President proposes a so-called excess profits tax which is nothing more than an excise tax—another tax to be levied on the price of crude oil, another cost to be passed on to the consumer. He vetoes the Emergency Energy Act, which includes 12 of his 17 vaunted energy programs, because it rolls back prices, reduces excess profits, and helps the beleaguered consumer. And then he blames the Congress for inaction.

When all is said and done, the President's prescription is higher prices for industry, agriculture, and the citizen—and blame for the Congress. The consumer—industrial, agricultural, and individual alike—and the Nation, will be left literally to the mercies of a few large international corporations—unless the Congress acts.

Just how vulnerable we are to the whims and vagaries of the heavily concentrated and interconnected major oil companies has become obvious in recent months.

Major oil companies have refused to import crude oil to the United States, because a Federal program required them to share a small percentage of their oil with smaller refiners. They cut off supplies to the United States at the height of the gasoline shortage in order to sell oil for larger profits abroad. These are the same multinational oil companies whose profits in 1973 increased upward of 56 percent as a result of the shortage they helped create. They sell crude oil abroad, then operate their refineries in the United States at 76 percent of capacity, and claim they have insufficient product to supply our needs. They spend large sums to advertise their virtue—and cut off fuel to U.S. Armed Forces during the recent Middle East conflict.

They have built refineries and production facilities abroad and left the United States without sufficient domestic production and refining capacity. As early as 1928, it appears the major oil companies were conspiring to control supply and set artifically high prices for crude oil in international commerce. As foreign crude prices go up their profits on foreign operations go up—and so they cannot be depended on to negotiate with the governments of the oil rich nations for lower prices. They cut off supplies to independent refiners and marketers, eliminating the litfle remaining competition in the domestic oil industry.

They act from ignorance or under duress from foreign governments. They are not purposely malicious. Their motive is profit, and nothing is wrong with that. But their motive is irrelevant. For whatever reasons, these companies can decrease supplies at will and drive up prices. They can and do withhold vital natural gas production in the Gulf of Mexico in anticipation of the higher prices promised by the Nixon administration. They have it within their power to use energy shortages, real or contrived, to drive up prices with disastrous consequences for the entire economy.

The price of oil is determined with little regard to production costs and with little impact from competition. The price of foreign crude oil is established by the governments of foreign oil-producing nations. The Nation is already dependent for over one-third of its oil on foreign crude. The price of domestic oil is established by the 20 oil companies which control almost 74 percent of the Nation's domestic oil production and 86 percent of the Nation's refinery capacity. The 20 largest natural gas companies, the same companies for the most part, control over 70 percent of the gas sales to interstate pipelines. These companies which dominate the production of oil and gas also control the pipelines and marketing of oil.

From Iran to the local gas pump competition does not operate in the petroleum industry to determine the price or the allocation of scarce energy supplies. Since energy is essential and the demand for it, therefore, relatively inelastic, foreign governments and a few vertically integrated and interrelated corporations can take advantage of shortages, which they have the power to create, to drive up prices at every stage in the production and distribution processes.

If the energy crisis makes anything clear at this point, it is simply that these

companies, acting as they do through joint ventures, interlocking directorates, and exchange agreements, can at will decrease production of essential oil and gas supplies to create larger profits for themselves and severe inflation for everyone else. The eight largest have now been charged by the Federal Trade Commission, after an exhaustive study, with monopolistic practices.

To offer the people no better hope than high prices and more high prices along with belated and mismanaged allocation programs—while the major oil companies grow fatter—offends our sense of justice. And the high prices cannot be justified as a price for free enterprise—because there is little free enterprise in this largest and most basic industry. Indeed, the higher prices and profits for the majors will make it easier for these companies to take over, or drive out, the remaining independents at every level.

A government policy of consumer *gouging is* a prescription for economic disaster and political instability.

The Consumer Energy Act of 1974 is a workable alternative to the Nixon administration's policy: A consumer energy program that offers immediate relief for the Nation's consumers and a rebirth of competition in the Nation's oil and gas industry. It is a comprehensive, practical program fair to both the public and the oil industry.

The Consumer Energy Act of 1974 aims to revitalize the free enterprise system by strengthening the market position of thousands of small, independent oil and gas producers. The act would remove price controls from the vast majority of the Nation's producers, while providing the reformed and simplified regulation that is needed to protect the consumer from the 20 major oil and gas companies which now dominate every segment of the petroleum industry—production, refining, the pipelines, and distribution.

The act will more fairly distribute the burdens of the energy crisis; infuse vitality and competition into the oil industry; and develop, for the future, increasing energy supplies at reasonable prices. It offers the kind of action the American people want.

Senator MAGNUSON, chairman of the Senate Commerce Committee, and I are chief sponsors of the bill. More than 20 other Senators have already expressed their support for this approach.

First, we propose an immediate rollback of petroleum prices for the major oil companies.

On December 19, the Cost of Living Council permitted the price of old flowing oil to rise from $4.25 to $5.25 per barrel—a $3 billion per year Christmas present to the oil industry. Even before that, the adminstration had removed all price controls on so-called new oil—allowing an increase in new oil prices from $3.40 to more than $10 per barrel in less than a year.

The justification given for such price increase was the need to increase supplies. Yet, it is the Nation's smaller independent producers who account for approximately 75 percent of all the exploratory drilling for new gas and oil. It is the independent producers who are most likely to use the capital from price increases to reinvest in further new drilling.

In the hands of the major oil companies, such price increases are unconscionable and unjustified. The massive influx of dollars into the treasuries of the majors is already far beyond their ability to invest in expanded exploration.

We propose, therefore, a rollback in the price of all domestic crude oil produced by major oil companies to December 1 price levels. At these levels new oil produced by the top 20 majors would sell for approximately $7 per barrel, and old oil at $4.25 per barrel.

This action will leave the great majority of the Nation's oil and gas producers—the independents—free to compete with each other and grow stronger as the major force in the marketplace for increasing supply, while reducing the majors' excess profits.

Second, we propose regulatory reforms which will revive competition in the energy marketplace—and, while reviving competition, protect the consumer from price-gouging.

Consider natural gas. Only 1½ percent of the Nation's 4,700 producers account for 85 percent of the Nation's natural gas supply. We propose to remove Federal Power Commission wellhead price controls from the small producers who compete and deserve a price incentive, because they conduct most of the Nation's exploratory drilling.

Meanwhile, we propose to continue regulation of the major oil company producers and streamline the Federal Power Commission's regulatory procedures to eliminate "regulatory lag."

Wellhead price controls are also needed to protect the consumer from the same major companies in the oil sector of the industry. The FPC is therefore given authority—to establish wellhead oil prices which will assure these 20 major oil companies recover their costs and a reasonable return. The bill would provide a finely tuned regulatory scheme applicable only to those large corporations whose anticompetitive position requires such controls.

There are over 10,000 oil and gas producers in the Nation. Yet the top 20—a mere 0.2 percent of all the producers—control over 74 percent of all the Nation's oil and gas production. By deregulating the other 9,980 producers, their relatively small market share will increase, competition will be encouraged, the 20 largest oil companies will be guaranteed a reasonable rate of return, the consumer will be protected against the ravages of uncontrolled energy inflation.

Since oil and gas are substitutable fuels and often produced in association with each other and by the same companies, the same regulating agency would apply the same procedures to both. Regulation would be harmonized and centralized in one independent agency.

To avoid diversions of oil and gas from the interstate to the intrastate markets, the controls would apply in both. The distinction between the two is artificial; the energy shortage is national—but supplies are regional. A national regulation of prices charged by major companies, all of them in national commerce, is essential.

These price controls would replace the rollback mentioned earlier. They guarantee the major corporations a reasonable rate of return; they protect the consumer against price extortion—and help create a free enterprise system in the oil and gas industry.

Third, we propose a Federal Oil and Gas Corporation—a TVA for energy—a supplier that could hold down prices; increase competition; inventory the Nation's public oil and gas resources; and deal with other producing nations on behalf of the United States.

It is time to create a national enterprise whose only concern is not profit, but the national interest. And it is time to develop public oil and gas resources for the benefit of the public. The public domain contains 50 to 75 percent of all the Nation's oil and gas resources.

The people own these resources; yet the Government knows very little about their location or extent. It leases national forests to oil companies for 50 cents an acre and for 10-year lease terms without any idea of what it is giving away or whether the environmental price is worth paying. One naval petroleum reserve appears to contain at least 30 billion barrels of recoverable oil. At $10 a barrel the stakes are not inconsiderable. The Federal Oil and Gas Corporation would be able to inventory these bountiful public resources, and determine their value before they are exploited by the major oil companies.

Through its oil and gas production from Federal lands, the corporation could provide additional fuel supplies to independent refiners and independent marketers who, once again, could compete with the major oil companies. It would develop and produce oil and gas from the public domain by methods that are environmentally sound and maintain strategic reserves. Never again would the Nation's oil and gas supply be determined by a handful of multinational corporation vulnerable to the pressures and policies of foreign governments. Its profits would go to the Treasury. Its existence as an assured supplier of crude oil would probably stimulate the construction of needed refineries, and if they were not constructed, it could construct refineries itself and supply independent marketers with refined products.

This corporation would stimulate competition in the oil industry—in its production, refining, and marketing segments. It would offer the public a reliable yardstick on production costs. It would give us a way of checking, through actual experience, the efficiency and pricing performance of the private oil companies.

And it would represent the Government in direct negotiations with foreign producing countries for foreign production facilities and for the purchase of crude oil.

No other advanced nation leaves itself to the mercies of multinational oil companies as does ours; most already have oil companies owned wholly or in part by the Government. Most of these companies are highly efficient.

Fourth, we propose a system of fair access to petroleum pipelines by all members of the petroleum industry.

At present, petroleum pipelines are the private preserve of the major oil companies. They are, for the most part, owned by a few of the largest majors. Yet they are the lifelines upon which independent producers, refiners, and marketers, in fact the Nation, all depend.

We propose to make the oil companies common carriers in fact as well as in name. Only thus can all shippers and receivers obtain fair access to the pipeline network.

Fifth, we propose that Federal lands be leased to oil companies under a new system of royalty bidding that requires development of the leases or their forfeiture.

In the past, valuable Federal oil, and now oil shale, leases have been won by "bonus bidding." This system requires an enormous capital outlay by the bidder—so large that even most major oil companies band together in joint ventures. This old bidding system raises a price barrier that only the major oil companies have been able to cross successfully. And when the leases are acquired, they frequently are held with nominal production or cash payments. They are not developed expeditiously and produced. Almost one-third of the commercial natural gas wells in the Gulf of Mexico are shut in now. Apparently the oil companies are in many cases waiting for the higher prices promised by the Nixon administration.

Under the royalty system bidders would offer to the Government a share of the oil recovered—or a combination of cash and oil. The royalty to the Government would be paid—in part at least—out of future production. Development and production would be required.

By moving toward such a system, we can open up the rich Federal domain to the independent oil company, increase production and over time the income of the Federal Government, too.

Sixth, we propose, on behalf of the small gasoline dealer who must deal with the major oil companies, a major reform of the franchise system.

Hundreds of thousands of the Nation's independent gasoline dealers have invested their time and money in gasoline stations which sell oil products at either branded stations leased from major oil companies or independently owned stations often unbranded.

This bill protects station operators—both branded and unbranded—from the massive economic power of the major oil companies, the power to give and the power to take away. It protects the small gasoline dealer by forbidding sudden, arbitrary termination of his lease or franchise.

Seventh, we propose reform of the current energy-wasting rate structure for natural gas and other forms of energy.

In the past, when we imagined our supplies of energy to be limitless, the Federal Power Commission and other agencies adopted rate structures that encouraged waste. As consumption went up, utilities charged less for each unit of energy used.

The time has come to reverse priorities. We propose graduated rate increases for increased consumption to encourage conservation rather than waste and lower rates for residential users than industrial users.

Eighth, we propose a full and honest accounting from the Nation's petroleum companies.

If we are to restore the Nation's faith in a workably competitive energy industry and make policy wisely, then we must have the facts—facts about supplies and reserves; facts about the major oil companies' financial condition; facts about exports and imports; facts about actual production costs. All these facts should be gathered in a timely manner and made public. Our bill requires collection of this information and public disclosure.

The energy crisis is not a crisis of nature; there is abundant petroleum in the earth and under the sea for near term requirements. It is a crisis of our economic and political machinery. The crisis began with failures and misuses of that machinery—and we can find solutions only by changing and improving that machinery.

This legislation is a start toward making those necessary changes. More needs to be done. The Nation must have an energy ethic which emphasizes the conservation of energy. It must develop alternative sources of energy. This legislation is a beginning—and a proposal for action and relief now.

If we fail to act, the entire cost of the energy crisis will fall upon the American people; and that cost could be written in lurid letters of economic and political collapse.

The energy crisis, and the public frustration and outrage it has produced, are a kind of handwriting on the wall. The message is this: If this country continues to suffer at the hands of one large, concentrated, interconnected and unaccountable industry, public patience will run out—and that industry may someday be totally regulated, broken up, or even nationalized. I do not want to see that happen. I want to see the free enterprise system preserved and encouraged. I want to see it work. And I believe most of the American people still feel the same way.

A DEAD END BUDGET FOR "SESAME STREET"?

Mr. HUMPHREY. Mr. President, two excellent children's television programs, "Sesame Street" and "The Electric Company," face the threat of being terminated. The Children's Television workshop, a nonprofit organization which produces both programs, has suffered severe budget cuts which place these two fine programs on a much less secure financial footing than in prior years.

The U.S. Office of Education reduced the workshop's grant from $6 million in fiscal 1973 to $3 million in fiscal 1974. In addition, the Ford Foundation has reduced its financial support to the workshop.

These cutbacks have left the Children's Television Workshop with a budget deficit and a decimated staff. The initial effects of the cutback were the elimination of 36 staff positions, a great reduction in experimentation and creativity for these shows, and a curtailment of research in such areas as animated and live action films.

Information obtained from the Children's Television Workshop indicates that it had anticipated a gradual withdrawal of funds from Government and foundations as it grew more self-sufficient. But the termination of funds from the Office of Education was far from gradual, and has done great damage.

The cutbacks already made by the workshop will reduce expenditure by about $2 million, leaving a budget of only $10.2 million.

That $10.2 million budget is to be met by the $3 million grant from the Office of Education, $5 million from the Public Broadcasting Corp., and $1.7 million from product royalties, overseas broadcasting rights and show royalties—leaving a deficit of $500,000. And the Program Corp. of the PBC may furnish only $4 million instead of the $5 million requested, leaving a $1.5 million deficit.

In terms of the total Federal budget, the $3 million cutback in the Office of Education funding is almost unnoticeable. However, it is so very important to the future of programs like Sesame Street and the Electric Company. And it is typical of the nearsightedness that has been chronic in many of the agencies since this administration took office. The education and well-being of our children should be one of the top priorities for those of us in Government.

Sesame Street and The Electric Company are instilling a love of learning and of people in preschool children, some of whom would never have received it otherwise. We cannot afford to neglect these efforts.

Sesame Street and The Electric Company were rated No. 1 and 2, respectively, in a recent poll of public television broadcasters taken by the Program Cooperative. They finished with ratings of 4.8 and 4.7, respectively, on a 5-point scale in the category of children's programing.

So the children feel these programs are good, the broadcasters feel they are good, and the parents I have heard from feel they are fine influences for learning upon their youngsters. We should not deprive the children of this country of the joys of singing their ABC's or of learning to count from "Big Bird." I urge the support of my colleagues for restoration of the budget cuts by the U.S. Office of Education to the Children's Television Workshop.

PENSION REFORM: A CONGRESSIONAL FAILURE

Mr. HARTKE. Mr. President, I should like to bring to the attention of my distiguished colleagues, an editorial written by one of this country's leading authorities on the private pension system, Dr. Merton C. Bernstein. His brilliant analy-

sis of the two pension bills passed in the House and Senate respectively, concludes that these so-called "reform" bills are a sham. This legislation, in Dr. Bernstein's words, is an "insult added to injury" to the working men and women of America who have found through tragic experience that a hard-earned pension is in the overhelming majority of cases, a broken promise at the time of retirement.

Almost all of the issues and provisions Dr. Bernstein attacks in these bills as too weak or ineffective, would have been corrected if my legislation on pension reform had been adopted by this Chamber. Here is a summary of why my proposals were.

1. PENSION BENEFITS

Full benefits upon retirement after 5 years with the same employer; the Senate bill provides 100 percent of the pension after 15 years with the same firm, 50 percent after 10 years, and 25 percent after 5 years.

2. SURVIVOR'S BENEFITS

Widows would receive 50 percent of husband's full benefit; the Senate bill permits a widow to receive a benefit only if her husband had elected to receive a smaller pension payment during his lifetime. In that case, her payment would be half of her husband's reduced pension.

3. CREDIT FOR PART-TIME AND OCCASIONAL WORK

All periods of employment would count toward eligibility for a pension. The Senate bill requires 5 years of full-time uninterrupted service with one employer to qualify for only 25 percent of the pension.

4. GRIEVANCES

A simple, inexpensive administrative procedure would have been established to protect employees from improper discharge by firms attempting to avoid their pension obligation; the Senate bill requires a worker who, for example, was discharged 2 months short of qualifying for 25 percent of his pension, to bear all costs in pursuing his grievance through the courts.

5. PORTABILITY

The establishment of a national pension system allowing full transfer of pension benefits when an employee changes jobs; the Senate measure leaves the question of credit for past employment entirely in the hands of the employers.

6. INSURANCE OF PENSION FUNDS

Retired workers would receive a pension equal to 80 percent of their highest average wage over 5 years should an employer go out of business or $500 per month, whichever is less; the Senate bill provides insurance up to only 50 percent of the worker's highest wage over 5 years.

If Congress is going to improve its image with the public, it is going to have to pass better people-oriented pension legislation.

The unsettling reality of these non-reform bills is that another chance at effective and meaningful pension reform probably will not come along for at least another decade. In the meantime, the suffering will continue, the complaints will contine to mount, and the U.S. Congress will continue to bear the responsibility.

Mr. President, I ask unanimous consent that the article, "Pension Reform: Insult Added to Injury," by Prof. Merton C. Bernstein, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PENSION REFORM: INSULT ADDED TO INJURY
(By Merton C. Bernstein)

Reforms that don't reform much are an all too familiar phenomenon in Washington, and we are about to be favored with a classic addition to the breed.

The latest non-reforms are contained in Senate and House bills supposedly designed to correct flaws in private pension plans. There has been considerable clamor about such plans since it was disclosed in 1971 that the vast majority of pension-plan participants never received any pensions from them. Here was a problem that clearly needed fixing, with the public assuming reform pressure would come from the labor movement.

Unfortunately, though, the necessary labor backing for significant reform never materialized. On the contrary, big labor generally has supported some of the worst features of the House and Senate bills, evidently finding it in its interest to join with big business in restricting worker protection. Former employees, after all, are also *former* union members, and pensions usually are the most expensive fringe benefit to be negotiated. To win sizable wage boosts for current members as well as pensions that actually provide pensions at all, let alone respectable benefits, labor apparently is willing to limit eligibility to a minority of workers.

The upshot is that, barring a last-minute switch in the conference committee, the measure that emerges will be weak and misleading, and another chance at effective reform probably won't come for at least a decade.

LEAVING EMPTY HANDED

The central problem with private pension plans lies in their vesting provisions, which give workers leaving a plan before retirement age a claim to pension benefits later when they do retire. Not that most plans lack vesting rights; in fact, three-quarters of all participants are in plans that confer vesting after 10 or 15 years of service. The catch is that most people separating from plans cannot meet the 10- or 15-year requirement.

This became clear in the Senate Labor Committee's 1971 study of 1,500 plans that had 6.9 million participants between 1950 and 1969. Committee sampling showed that of the 5.2 million workers who had departed from the plans in those years, a mere 3 per cent actually obtained any benefits, and only 1 per cent achieved vested rights.

The tale was dismal for both the 10-year and 15-year vesting plans. The committee found that of those leaving plans with 15-year vesting, 92 per cent went empty-handed. Of those separated from plans with 10-year vesting—the most liberal in common use—73 per cent went without a dime. All this is in addition to other national data showing that a large portion of such separations is involuntary.

The main task, then, was to strengthen vesting rights—perhaps starting, as some suggested, with 50 per cent vesting after five years of credited service and going to 100 per cent vesting after 10 years—and to effectively prevent any firings by bosses seeking to exclude workers from pension eligibility.

But the vesting provisions of the Senate and House bills do little to change the current flaws. In fact, estimates done for the Senate Labor Committee show that the several formulas would hardly increase pension plan costs at all for those with 10-year vesting and only by minuscule amounts for those with 10-year vesting or with no vesting at all. The simple reason is that the formulas would not give substantial additional protection to the great mass of workers separating from plans; where they might salvage some benefits, they would be minute.

THE SENATE BILL

The Senate non-reform bill, for example, was passed last September by a unanimous 93 to 0 vote, which suggests how innocuous it is. On the crucial point of vesting, it would exclude all years of work before age 25, despite the fact that the overwhelming bulk of blue-collar and gray-collar workers and many white-collar workers take full-time jobs when they are 16, 17 and 18.

After five years of *credited* service are achieved by age 30 (which means perhaps 12 to 14 years of actual work for a semi-skilled factory worker), the employee would be vested for 25 per cent of a normal benefit. For each subsequent year an additional 5 per cent would vest, reaching 50 per cent after 10 years of credited work, and then by 10 per cent annual additions culminating in 100 per cent after 15 years of credited service.

To some, this 25 per cent vesting after five credited years might seem like a reasonable step in the right direction. But it actually means paltry benefits.

An October, 1973, survey by the Bureau of National Affairs showed that most existing blue-collar pension plans pay a benefit of $4 to $6 a month for each year of credited service. This means a full benefit for an employee with five credited years under a $6 plans would pay $30 a month. Under the Senate 25 per cent formula, only $7.50 a month would be salvaged, for a grand total of $90 a year—payable many years after separation and after erosion by inflation.

A white-collar worker with a $10,000 job would do little better. The BNA survey found that their plans pay 1 to 2 per cent of final average salary for a year of service. So a typical plan for a $10,000 worker, at 1½ per cent, ordinarily would yield $750 a year; the Senate, 25 per cent formula salvages $187.50 of this.

Theoretically, separated employees could obtain several such benefits in a working lifetime. But government studies show that the bulk of those losing pension-covered jobs obtain other positions, if any, that provide thin or no fringes. A joint Treasury-Labor department report last fall confirmed this: "Only half of the men aged 50 or older who were employed 10 or more years were vested." In addition, substantial numbers of older workers had under 10 years of service in their jobs. Once a person loses a job, he or she is vulnerable to layoff due to low seniority.

But, the claim is made, at least long-term employees would receive the protection of vesting. As noted, substantial service can be excluded. Moreover, the Senate vesting provisions would not take effect for anyone until 1976, adding almost two years to the service required. For collectively bargained plans, the provisions wouldn't begin until 1981 or when the pension plan in effect at enactment expires. This would add two to seven years to the vesting requirements for many. In the auto industry, for example, the current collective agreement expires in 1976—but the pension agreement runs until 1979.

The Senate bill, like the House version, prohibits discharge to prevent the achievement of pension eligibility, a protection of particular importance to non-union workers. But the provision seems to put the burden upon the employee to prove that the motivation (a near impossibility except in the most blatant cases), and neither bill provides a rapid and inexpensive procedure to enforce what dubious rights are given.

If the Senate bill is weak, the House measure is weaker.

The House bill requires one of these vesting formulas, but the choice is left to employers

and unions, if any is in the picture. They can pick the Senate formula, straight 10-year vesting (under which 73 per cent of those separated left without a penny, it will be recalled), or the "rule of 45." This rule would confer 50 per cent vesting when age and credited services total 45, with at least five years of credited service required.

It is only natural that employers would choose the least expensive, and thus least protective, plan. Experience shows, too, that unions often go along with companies on this, concentrating their efforts instead of wage increases or higher pension benefits for a lucky few.

The Senate Committee did not price these alternatives, but its actuary did make estimates for slightly more liberal and restrictive versions. These show that their estimated added costs would be slight. Moreover, by winnowing out older workers, the "rule of 45" could be made meaningless for many in the absence of protection against discharge without cause. Hence a net gain for vesting would be slight to non-existent, while the already difficult employment problems of older workers might well be exacerbated.

But there is more. In addition to the delays in the Senate bill, the House version would phase in vesting so that in the year it must begin—perhaps as late as 1981—only half of the Senate formula need apply. In other words, the $90 a year for blue-collar workers and $187.50 for white-collar workers previously noted would be cut in half. In each subsequent year, an added 10 per cent would be required, so that the full formula—no great shakes to begin with—could be delayed until 1985.

If all this were not bad enough, the House bill also allows exclusion of all years worked before 1969 if, starting with Jan. 1, 1969, an employee had not achieved at least five years' service.

Under many plans, large numbers do not obtain a year's credit in a 12-month period because work is not available due to seasonality or layoffs. Instead some fraction of a year's credit results. Such employees could be denied all of their years of service before 1969 for pension purposes under this provision. Other breaks-in-service provisions are equally, if not more, threatening to credits for past service. Long-term employees—those allegedly protected—would be the victims.

In sum, the vesting provisions of both measures—and especially the House version—would prove as unprotective and disappointing as the plans they purport to reform. And the AFL–CIO, pressed by several large unions, generally pushed for the same limits on vesting and funding as did business. What they differed over was "reinsurance," or a government system to make good on benefits when plans end with insufficient funds. Unfortunately, the House bill limits that insurance to those benefits required by the measure's mandatory vesting provisions, which are skimpy and, ironically, especially delayed when bargained.

THE BIG LOSERS: WOMEN

Pension plans were designed to pay off to the largely male workers who put in long periods for one company or group of companies. The majority of these men will be losers, but an even larger proportion of women will lose out as employees and as their husbands' survivors.

More women work than ever before. When retirement comes, a substitute for their pay is just as necessary as for men's, otherwise their own and their family's standard of living will decline. But published data show that women have shorter job tenure and hence less chance to achieve vesting. The vesting weaknesses thus fail women even more than they do men (except that married men also depend upon their wives' earnings). As women generally live longer than men, they face long periods without their husbands and, if the men have been among the lucky ones, their husbands' pension. Perhaps 1 per cent of all women get private pension widow's benefits.

Neither the Senate nor the House bill effectively improves this showing. Both require plans to provide retirees with a choice to take an undiminished benefit during their own lifetime or a reduced lifetime benefit plus a survivor benefit. Such "joint and survivor options" already are common among pension plans. The hitch is that few employees choose to provide assured income for the surviving spouse.

If women are the chief losers, the well-to-do are the chief gainers.

A year ago the Treasury Department reported that only 23 million employees participated in pension plans, considerably below the commonly advertised 30 million to 35 million. Sparsity of coverage obviously makes it more difficult to achieve vested pension credits. Moreover, as Frederick Hickman of the Treasury noted in a recent article, taxpayers in the upper 8 per cent now obtain half of the tax benefits given to private pension plans (the break flows from the tax-free nature of earnings on plan reserves) while the lower half "enjoy" 6 per cent of those benefits.

To "rectify" this situation, both bills enable those without pension coverage to make tax-sheltered retirement investments of up to $1,500 a year. Unlike the Keogh plans for the self-employed, those who voluntarily choose to do so need not make any retirement provision for other employees. Many self-employed will have no difficulty in finding $3,000 (per couple) to invest in this new way. Canadian experience shows that upper-income taxpayers use and benefit disproportionately from such arrangements. Those most in need of benefits to supplement Social Security cannot play in this game.

WAIT TILL NEXT YEAR

There are other serious shortcomings as well:

Neither bill meets the acute problem of inflation, which could be eased considerably by mandatory portability. The final bill should require that the value of vested credits for separating employees be deposited to an account in the employee's name at a national pension clearing house, where the money would work to improve benefits for that individual rather than reduce the cost to the employer of the plan he left.

Neither bill prevents fund managers from dealing with employers who establish the plans—fertile ground for corrupt practices. Indeed, the House bill expressly permits "self-dealing (so-called because the plan administrators are chosen by the company), provided only that market value be paid. Experience amply demonstrates that this is an entirely inadequate safeguard.

Proponents of the current measures argue that one must accept a less than ideal bill. But what appears to some as half a loaf seems to others more like crumbs. The rationalization that the current bills are only a beginning to be built upon and improved is a dangerous delusion. Once Congress enacts a measure it will be spent and will not soon nerve itself to another similar effort. The last pension reform legislation, requiring certain disclosures by plans, was passed in 1958 and provided no realistic protection. The optimistic view is that any further follow-up legislation would come in another 10 years. Unless the grave weaknesses of the current measures can be greatly improved in conference, Congress would be well advised to "wait 'til next year."

OUR VETERANS DESERVE BETTER

Mr. HUMPHREY. Mr. President, March 29, designated as Vietnam Veterans Day, reminded us that 1 year ago the United States terminated its direct military involvement in the Vietnam war—the longest war in America's history, in which some 2.5 million men saw service. But what this day should have brought forcefully to public attention are the urgent problems confronting a great number of the 7 million veterans of the Vietnam era—including the 40,000 men who returned disabled.

I want to discuss at this time an agenda for action by Congress, addressed to the following issues of deep concern to all of America's veterans:

Adequate GI bill educational benefits, brought in line with soaring tuition costs;

Programs to meet the urgent need for jobs and income;

Adequate and immediately accessible health care;

And increases in disability benefits and dependency and indemnity compensation, as well as the protection of veterans pensions, in response to sharp increases in the cost of living.

1. A $270 MINIMUM MONTHLY EDUCATIONAL BENEFIT

In contrast to our veterans of World War II and Korea, veterans of the Vietnam era cannot afford the costs of the education they deferred while serving their country, and they confront public apathy toward their critical need for jobs and a fair opportunity. The young veteran confronts a classic "Catch-22" situation: To get a better job he needs to continue his education; but his GI bill benefits fall far short of meeting the costs of that education, and all too often he cannot even find work to supplement those benefits. On top of this, he frequently finds his application for various forms of assistance to which he is entitled, snarled in redtape with payment from the Veterans' Administration delayed for weeks on end.

2. SURVEY OF VETERANS BENEFITS

Last fall, the Educational Testing Service made an independent study of veterans benefits for the Veterans' Administration, but the Veterans' Administration promptly rejected the conclusions of that study. The study laid out certain basic and irrefutable facts. In 1948, GI's received tuition up to $500 per year paid directly to the colleges. At that time, this tuition charge covered nearly all public colleges in the United States and 89 percent of all private colleges. In addition, the veteran received $75 per month for personal living expenses.

Today, the Vietman vet using the GI bill receives a flat payment of $220 per month to cover all of these expenses—educational and noneducational. This $220, when adjustments for dollar value are made, represents, ironically, the World War II veteran's living allowance alone. This is simply unfair and it ought to be corrected without delay.

In my State of Minnesota, a veteran attending the University of Minnesota, paying $676 tuition and fees and the U.S. average $216 for books, would have $121 per month on which to live. If he chose one of five State colleges with a mean tuition charge of $455, he would

have $146 per month on which to live. This is simply inadequate.

3. NEED TO CORRECT INEQUITIES

It is imperative that Congress act without delay to correct these disparities and to provide a realistic educational opportunity for veterans. Words of praise are no substitute for a decent education. I am a joint sponsor of two key bills in the Senate, S. 2784 and S. 2786, which would provide our veterans the realistic level of assistance they require. Under this legislation payments to veterans enrolled in schools and training institutions would be raised by 23 percent—as contrasted with an increase of 13.6 percent in legislation recently passed by the House, and an increase of only 8 percent proposed earlier by President Nixon. The Senate bill would amount to an increase for a single veteran from the maximum of $220 a month to $270 and for a married veteran from $261 to $321. It would also authorize low-cost Federal loans for veterans of up to $2,000 a year. The second bill would extend the time within which GI bill training must be completed from 8 to 15 years and it would increase the maximum entitlement from 3 years to 4 years.

In addition, I have cosponsored S. 2789, the Comprehensive Vietnam Era Veterans Education Benefits Act, which proposes a different and more equitable method of assisting veterans to meet educational expenses.

Mr. President, our younger veterans confront seriously limited choices in pursuing a higher education. They must stretch their benefit payments to meet the costs of public institutions, but they are effectively excluded from attending private institutions of higher education due to a general tuition increase of 500 percent in the United States since the late 1940's. I urge that Senate consideration of legislation to address these problems effectively, be expedited.

I also urge early congressional action to provide for appropriations for the veterans cost of instruction program under the Higher Education Act. The Nixon administration has again failed to request funds for this vitally important program, in its fiscal 1975 budget. However, this program has greatly increased the participation rate in the GI bill program in many cities and provided enrollment, counseling, and remedial course assistance to thousands of veterans. It has been the key to the establishment of special veterans offices at our colleges and has assisted these institutions in handling the actual costs of education.

4. THE RIGHT TO A JOB

A second area demanding forthright congressional action is that of opening critically needed job opportunities for our veterans. Younger veterans confront an unemployment rate of over 10 percent. They have been hard hit by the additional impact of the energy crisis with unemployment increases tied to their lack of job seniority. It is reported that increasing numbers of Vietnam vets are joining early morning lineups to get on the Nation's welfare roles. I have found this inexcusable, where Government fails to act out of a simple respect for human dignity.

Our veterans ask no more than a fair chance—the opportunity to help themselves, to work and to know the security of an income and hope for the future. And it was precisely to address this urgent problem that early in the 93d Congress I introduced legislation, S. 705, to establish a major program of job opportunities in the public sector, and giving priority to the employment needs of our veterans. A similar provision for priority consideration is included in the Energy Emergency Employment Act, S. 3027, which I introduced 2 months ago, and which proposes a comprehensive program of employment and training assistance in both the public and private sectors. I remain hopeful that such further legislative initiatives can be pursued in the present session of Congress, beyond the comprehensive manpower training and public service jobs bills enacted last year.

5. VA HOSPITAL CARE

Mr. President, no veteran who needs hospital care should be turned away from a VA hospital. However, all Senators are aware of repeated reports of hospital admission denials, apparently resulting from restricted budgets and personnel limitations. Last year, Congress passed major legislation, the Veterans Health Care Expansion Act, but we subsequently confronted incredible delays by the Veterans Administration in submitting its budget request to cover deficiencies in the VA's ability to meet its responsibilities to provide quality health care to eligible beneficiaries. Meanwhile, the Department of Medicine and Surgery in the Veterans Administration, along with other Departments, has suffered from the loss of high officials of demonstrated capability, with the qualifications of their replacements apparently being chiefly their political credentials.

6. IMPACT OF INFLATION ON DISABLED AND OLDER VETERANS

Disabled veterans and our older veterans have had to fight a rear-guard action against efforts of the present administration to limit or reduce the assistance they vitally need. It required a strong protest from Congress and the public to cause the administration last year to pull back for further study a plan that would have been quickly implemented to take away $160 million in benefits to physically disabled Vietnam era veterans—a shocking, cynical decision to save money at the expense of the future of thousands of persons who have made such a direct sacrifice in the service of their country. And a separate battle had to be waged against administration plans to strike a double blow against all veterans pension benefits, first, by redefining income pension entitlement, and second, by cutting back VA administrative funds required for the processing of pension benefit applications.

Congress last year, recognizing the need to keep pension payments abreast of cost-of-living increases, enacted Public Law 93–177, which will mean that pension checks for approximately 2 million veterans, widows, and dependent parents will be increased by almost $240 million during 1974.

I regretted that a further provision strongly supported, and which would have increased the annual income limitations for pensions by $400, could not be included in the final legislation. I have urged the Senate Veterans' Affairs Committee to recommend such legislative action as may be required to prevent offsetting reductions in veterans' pension benefits resulting from social security increases in 1975 and thereafter. This was a key purpose of legislation which I introduced early in the 93d Congress, S. 835, the Full Social Security Benefits Act.

I am gratified that the Senate Veterans' Affairs Committee is taking early action on urgently needed legislation to improve service-connected disabilities and survivor benefits. I am a joint sponsor of the two key bills—S. 3067, the Veterans' Disability Compensation Act, and S. 3072, the Survivors' Dependency and Indemnity Compensation Act. Both measures provide needed cost-of-living increases for veterans and survivors receiving service-connected compensation—15 percent for veterans and 16 percent for widows. I have recommended that the committee also consider a provision to initiate an automatic cost-of-living escalator for these programs, rather than have them continue to be subject to periodic congressional action and to delay in implementation by the administration.

Mr. President, our Nation owes no greater debt than to those who have served in the Armed Forces and contributed to the national defense. I have outlined the highlights of a legislative program that must be pursued by the Congress without delay. But we also need to do everything possible to reassert a national sense of responsibility toward our veterans. We must seek out young veterans and help them resume their rightful place in society. And we must give to our older veterans the respect and the hope in the future to which they are entitled.

HEARINGS ON HUMANITARIAN FOOD ASSISTANCE

Mr. HUMPHREY. Mr. President, on April 4 the Subcommittee on Foreign Agriculture Policy of the Senate Committee on Agriculture and Forestry held hearings on the future direction of U.S. Public Law 480 humanitarian food assistance programs.

Witnesses appearing before the subcommittee included Richard Bell, Deputy Assistant Secretary of Agriculture for International Affairs and Commodity Programs; Daniel Parker, Administrator of the Agency for International Development; James P. Grant, President of the Overseas Development Council; and Frank L. Goffio, representing the American Council of Voluntary Agencies for Foreign Service, Inc.

This is an especially appropriate time to review these food assistance programs. The Public Law 480 program was begun at a time when the United States had abundant food stocks and was eager to

share these supplies. With these stocks gone, and the world commercial markets strong, the United States faces a major moral question. Will this eminently successful humanitarian program, begun in a time of plenty, be sustained during a period of scarcity?

The two administration witnesses, Mr. Bell and Administrator Parker, emphasized that the programs were continuing in spite of cuts in volume resulting from increased prices and decreased availabilities.

The issue of heavy programing of Public Law 480 resources for South Vietnam and Cambodia was discussed in the light of cutbacks elsewhere, and Mr. Parker argued that the people of Southeast Asia were in many cases refugees and needed the assistance on a humanitarian basis.

Mr. President, I ask unanimous consent that my opening statement at the hearing be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUBERT H. HUMPHREY

Food for Peace is not a political program, even though foreign policies are involved. It is not an agricultural program, even though food and fiber are involved.

Food for Peace is a moral program.

Food is power. And in a very real sense it's our extra measure of power. It may be the one thing that we have in greater abundance and in the ability to produce beyond anyone else.

I have heard very few voices raised in the Congress of the United States about food as a power for good, as well as for its physical and financial value. I have heard all too few voices raised as to what should be an adequate supply of food for the American people and this nation to fulfill, first our moral responsibility, and secondly, our international responsibility.

I see us argue agricultural policy without bringing in what I think is one of the most important aspects of it. The moral, the social, the psychological, the spiritual aspect. One of the most powerful forces in the world is love. Compassion. Understanding. For some reason or other we have forgotten a little bit about that.

Moreover, P.L. 480 is a proven program. For over twenty years our Food for Peace program has served as a model throughout the world for what humanitarian food assistance can and should do. Not only have concessional sales under the program been an important factor in the expansion of markets for our farm products abroad, but food assistance under P.L. 480 has provided an essential bridge upon which the poorest countries of the world can reach for self-sustained economic growth.

Every year almost 90 million people benefit from the maternal and child care, school lunch, food for work, and other humanitarian programs made possible through Public Law 480. And for millions of disaster victims throughout the world, Food for Peace shipments have meant life itself. In more than 100 countries throughout the world the burlap bags of farm commodities marked with the phrase "Given by the people of the United States of America" are a familiar reminder that America still practices the Judeo-Christian ethic in the sharing of our abundance.

However, much has changed since my colleagues and I sat down over twenty years ago to map out the policies which eventually would become P.L. 480. The world food supply situation has become increasingly precarious. World demand for food, particularly, in recent years, has continued to outstrip production, spurred by unabated population growth throughout the world and the effects of rising affluence in the developed nations. Every year, food production lags behind demand by one percent on a worldwide basis, and in the past two years this shortfall has markedly increased.

Furthermore, agricultural resources such as fuel, fertilizer, water and arable land are facing increasingly significant constraints, and especially in developing countries. And long-term climatic changes in certain parts of the world confront millions of people with chronic famine. Suddenly food security is becoming the number one public policy issue around the world, and policy makers in all countries are turning new attention to food.

A nation's food supply is its most precious resource. And the responsibility of government to assure adequate food for its citizens is its most basic one. Leaders throughout the world may spend hours debating the needs of defense, but all the military manpower and hardware is meaningless if a nation cannot assure its people of enough to eat. National security, as many countries may painfully come to realize over the next few years, is much more than large troop and sophisticated weapons systems.

Food security must begin with proper national planning. Each country must assess its own needs and work out a program which complements its overall development goals. And one of the most important development goals should be to achieve a reasonable level of agricultural self-sufficiency.

Food aid can be viewed as only a short term measure. In the long run a country must be able to take over the responsibility itself for providing its people with food.

We can no longer count on consistent American farm surpluses to provide for the food needs for large sectors of the world.

Increasingly, we may well find lean years interspersed with the years of abundance. And without a buffer of domestic and international food reserves, as I have proposed before my colleagues to balance these swings in supply, consumers throughout the world will be victims of the vagaries of chance.

Moreover, the role that commodity reserves play in agricultural development should not be underestimated. Until farmers in developing countries can count on reasonably stable markets for their output, expansion of farm production will remain limited. This is particularly significant in the developing world where commodity markets are subject to volatile swings. Therefore, as a condition for agricultural development we must assist and encourage international initiatives to provide for supply assurance and market stabilization through stockpiling basic commodities.

But just as food aid can only be viewed as a short-term solution, international food stockpiles can only be viewed as a medium-range food security mechanism. At the current rate of growth in demand for food the rich years will become scarcer and the lean years more frequent. Eventually, we will reach a point at which we can no longer replenish food stockpiles from production.

Clearly what all of this means is that our long-term goals have to be directed toward increasing food production and limiting the growth of demand through population programs, coupled with economic development, and through conservation and more efficient use of available food resources. No other development goal is more imperative.

We must insist then that the resources we commit for development purposes are used as efficiently as possible. Before we provide food assistance, we should encourage each country to work out their long-term development goals and specifically how food aid can assist in those goals. With only a limited amount of American farm production to devote to food assistance, it is only judicious that priority be given to those countries willing to work out their own programs for self help.

As a condition of food assistance, each country should work out a long-term food security plan, with the advice and assistance from U.S. AID officials, Priorities to be reflected in this plan should include measures: (1) to increase agricultural production leading toward a reasonable level of food self-sufficiencies; (2) to improve nutrition; and (3) to establish meaningful programs for population control.

Unless our food assistance is directed toward such development objectives, we may only be making the problem worse by creating a dependency on food donations and by supporting the further increase in population. The hard facts of life are simply that we cannot go on forever fulfilling the food needs for much of the rest of the world, whether we want to or not. The American cornucopia is becoming increasingly strained, and, therefore, food assistance efforts should be directed into programs designed to help food deficit areas develop the capacity to feed themselves.

In addition to directing our food assistance toward serving development objectives, I believe we should restate United States food aid policies in terms of serving humanitarian needs, rather than of assisting military security objectives. On February 21, 1974, I introduced Senate Concurrent Resolution 69, calling for an investigation of the possible misuse of P.L. 480 commodities, or of foreign currencies generated from the sale of those commodities. I had particularly reference to P.L. 480 shipments to Cambodia and South Vietnam.

Tables provided by the Agency for International Development indicate that within fiscal 1974 alone, the estimate of the value of Title I Public Law 480 shipments to Cambodia and South Vietnam has more than doubled. Forty-four percent—almost half—of all food for peace shipments from the United States throughout the world in fiscal year 1974 will go to these two nations. That works out to a major diversion of local currencies in these countries, through U.S. food assistance, for defense purposes—an indirect but nevertheless substantial addition to American military aid.

Meanwhile, commodity assistance for humanitarian programs by CARE and church-sponsored relief agencies have been cut back. It has been estimated that 20 million fewer people are being helped to avoid starvation than 2 years ago.

It is clear that Congress must take early action to prevent such profoundly serious distortions of the food for peace program.

A food assistance policy that now emphasizes serving humanitarian needs would also replace a policy stated in terms of surplus disposal. It is time that we made a clear commitment to food assistance in its own right.

Over the years P.L. 480 has been a useful part of our efforts to manage surplus farm production. However, times have changed. We can no longer count on year to year surpluses.

The shortages of the past year caused a great deal of disruption in our food assistance efforts. Programmed commodities under the Title II donation program were down more than 50 percent in 1973 from 1971 and will be cut even further in the coming year. Total funds appropriated under the Food for Peace program have dropped steadily from a high of $1.6 billion in 1964 to an estimated $800 million in 1975.

Uncertainties in supply have created special hardships for U.S. voluntary agencies and recipient country governments who have devoted millions of dollars of their own resources to establish development and hu-

manitarian programs to utilize P.L. 480 commodities.

The present language of P.L. 480 raises a barrier to effective humanitarian food assistance in times of short supply of U.S. agricultural commodites. Under existing law the Secretary of Agriculture cannot ship commodites under P.L. 480 if he determines that the available supplies are not adequate to meet domestic requirements and anticipated exports for dollars.

Last year I introduced a bill, S. 2792, that would allow the Secretary the flexibility to permit food aid shipments if he determines that part of the exportable supply is necessary to fulfill the national interest and humanitarian objectives of the law.

This provision was subsequently incorporated in the Foreign Assistance Act as enacted by Congress, as a statement of the sense of Congress on essential legislative reforms to be made in the Agricultural Trade Development and Assistance Act. In this same provision of the final foreign aid bill, it is also stated to be the sense of the Congress that the Secretary of Agriculture shall take humanitarian food needs into consideration when making U.S. production and set-aside decisions.

This fall, the United States will participate in a world conference on food security. It is imperative that we clarify our own long-term food aid policies before we go to this conference. Only if we have our own house in order can we make commitments to participate in multilateral efforts to alleviate suffering, hunger, and malnutrition.

The officials in our government who make the policies in regard to food assistance ought to take a good look at the situation for which they are making the policies. There is no more classic case of the "ivory tower" phenomena than the people in the Department of Agriculture, AID, OMB, and the National Security Council who decide "in absentia" the U.S. food aid policies for the developing world.

If we are going to decide who is to eat and who is to suffer hunger, it's about time we get out and take a look at the programs for which we are responsible. As a start, I think it imperative that key Congressional representatives and senior officials of OMB, NSC, AID, State and USDA form a team to visit Title II field activities in order to base their decisions on actual first-hand, on-site evaluations of extensive conditions of hunger and starvation.

The time has come to review our food aid policies in terms of new circumstances and new needs. The past success of our Food for Peace program is no excuse to avoid the consideration of new and innovative thinking in regard to food assistance.

To insure that the food resources the American people commit to the developing world are used most wisely and efficiently we must do the following:

Restate the U.S. commitment to Food Assistance as based on humanitarian needs rather than as assisting surplus disposal at home or military security abroad.

Direct our food assistance to long-term development programs designed to increase agricultural self-sufficiency, improve nutrition and provide for planned population growth.

Establish a system of domestic and international food reserves to provide a minimum level of supply security and market stabilities against the inevitable swings in world production.

Reaffirm and clarify our own commitment to food assistance and insure that our officials responsible for food aid policy are fully aware of the magnitude of the problems we are facing.

As the world's most important producer of foodstuffs, the United States stands alone in its ability to influence food policy for the rest of the world. And certainly, this fact is no more evident than in the area of humanitarian food assistance. Increasingly, the United States is being forced into the position of determining who will have enough to eat and who will face hunger as our food production becomes the residual supply throughout the world. We must bear this responsibility with a respect for the food security of consumers throughout the world.

During consideration of authorizing legislation over two decades ago, the Congress originally turned down the title Food for Peace. It wanted Surplus Disposal. But I offered the amendment to call this program by law, Food for Peace.

And I want to say with deep thanks and to the everlasting honor of President Eisenhower, that it was his decision to call this program Food for Peace, despite its initial statutory title. Congress later agreed to give this program the title that reflects moral leadership, rather than an expedient mechanism for dumping surplus commodities.

We in this country have a "win" policy. I think we ought to be trying to win over poverty, illiteracy, sickness, frustration and hunger. We should be winning wars and winning battles for human dignity. This is what the struggle is about in Asia, in Latin America and Africa. And these people continue to look to us in the United States to affirm that each person is personally important; each endowed with soul and spirit.

And what else do people want? Opportunity. Just a chance to make something out of themselves. Our foreign aid and technical assistance programs, the Peace Corps, and the Food for Peace program are all designed to serve this objective—to help people help themselves.

The challenge before us now is to continue to fulfill our commitments to the people of over 100 countries to look to the United States to meet urgent needs for food assistance. To prematurely withdraw this promise of self-help aid is to court profoundly serious consequences of political instability and extensive suffering in these countries. Our international responsibility and vital interests demand that our government avoid such policy changes.

Mr. HUMPHREY. Mr. President, the testimony of Mr. James Grant highlighted the increased seriousness of the plight of the poorest countries as a result of the energy and food crisis of the past year.

His testimony indicated that these countries now have not only vastly increased fuel costs but also face sharply increased food costs. And the United States, as the world's primary breadbasket, but currently lacking a food policy, will play a major role in determining the fate of these countries.

Mr. Grant asserted that a major program is required to aid the poorest countries, and suggested that other countries would be prepared to join in if the United States were to lead the way. He suggested that, for the United States, food assistance might be the best area to be of help.

Mr. President, I ask unanimous consent that the full statement by Mr. Grant be placed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF JAMES P. GRANT

HUMANITARIAN FOOD ASSISTANCE IN THE NEW ERA OF RESOURCE SCARCITIES

Mr. Chairman and Members of the Committee:

I welcome the opportunity to testify at your invitation before the Senate Subcommittee on Foreign Agricultural Policy on "Humanitarian Food Assistance." These hearings could not be more timely.

Events of the past year have vastly increased the problems of the poor throughout the world, particularly in the poorest countries, whose prospects, barring major international action, can be expected to continue to deteriorate over the next several years. The doubling to quadrupling of food and energy prices dooms millions to premature deaths from increased malnutrition and even outright starvation. The only question, and one Americana can influence, is: how many millions?

The past year has also seen accelerated large-scale erosion of that comprehensive set of humanitarian assistance policies that have served as a symbol of America for twenty years. These policies have virtually dissolved under the combined impact of lucrative export markets and governmental fear of aggravating high food prices in the United States through food air purchases. Increasingly dependent on the commercial market for food, the poor and the poorest countries have had to compete for scarce food in competition with the rising demand of the increasingly affluent in Japan, the Soviet Union, Western Europe, and North America. Prices have soared—to the great benefit of the American balance of payments and to the greatest detriment of the poorest of the poor.

The United States, the world's primary breadbasket, no longer has a world food policy, and decisions are urgently needed. As was stated in the London Times on March 29:

"What the Americans finally decide will be crucial. They have been extraordinarily generous in their fat years, but now they are, to an extent, the "Arabs" of much of the world's food supply."

Many of the basic factors which are essential to the making of these decisions are discussed in my detailed testimony which follows on the effect of the energy, food and fertilizer shortages, and prices rises on the poorest countries and on our policies toward them. My conclusions may be summarized as follows:

1. The United States no longer has a coherent set of policies addressing world food needs. This is illustrated by the dramatic decline, by more than 60 per cent in two years, in the physical shipments of food aid. Only for those countries in which the United States has a strong security concern—Vietnam, Cambodia, Laos, Israel, and Korea—can we still be said to have a meaningful food policy. By the current fiscal year these five countries (with only 60 million people) are receiving over 40 per cent, by volume, of all U.S. bilateral food aid, and about two-thirds of all concessional sales under Title I of PL 480.

2. Continued food aid overseas, like food aid at home, can no longer be premised on the concept of surpluses. Largely because of increasing demand from rising affluence and population growth, the world is entering a new era, characterized increasingly by tight supply situations and sellers' markets for a growing list of commodities—food, oil, fertilizer, fish, and others. This not only means that large-scale surpluses are no longer available (an original premise of PL 480), but that higher prices work very greatly to the disadvantage of those poor countries not amply endowed with raw materials.

3. A dangerous world food situation is emerging, with world food stocks at the lowest levels since the World War II era. Poor weather over any widespread areas during the next eighteen months would begin an acute world food crisis. A shortage of nitrogenous fertilizer production capacity for at least several years ensures a dangerous

food supply situation for important parts of the developing world over the next several years.

4. A number of the poorest and slowest growing countries—some 40 countries with nearly one billion people—are so seriously threatened by the combination of soaring food and fertilizer prices on the one hand and of skyrocketing oil prices on the other, that they face the prospect of disaster during the next several years, and many of their governments can be expected to topple under the new stresses.

5. The international order as we know it cannot long survive if there is a continuation of the 1973 and 1974 trends, whereby the increasingly affluent richest one billion people of the world pre-empt through their purchasing power ever larger shares of the world's grain and fertilizer, leaving less and less for the poorest billion in the world.

6. North America, the world's breadbasket, and a major beneficiary of scarcity-derived higher prices (over $10 billion in FY 1974) for its raw material exports, has a special responsibility for helping the hardest hit countries on the food aspects of the world economic crisis.

7. The United States Government should not continue to drastically reduce and suspend the procurement of specific foods and fertilizers under its humanitarian and development cooperation programs for fear of aggravating domestic prices—as has been done several times in the past year—without giving the American people an opportunity to decide whether they might be willing to reduce their own consumption standards slightly so that others might have a better chance for life elsewhere. As the grain reserves diminish and as the world depends for the first time in human history on one common pool for its food supply, people in the United States should know that the way we eat—and fertilize our lawns—is affecting lives elsewhere. I believe most Americans, if given the choice would respond by modifying their usual diet, which now takes an average of 1,850 pounds of grain to support (as compared to 380 for the average South Asian), just as most have already responded to the fuel shortage by lowering thermostats.

8. By skillful handling of the world's most essential raw material—food—which it dominates, the United States can begin to pioneer and formulate the rules of the game—for access to supplies, increasing production to meet demand, and establishment of reserves—which should be followed to the benefit of all in the management of most resources in tight supply.

The Overseas Development Council has recently completed its second annual assessment of the issues involving the United States and the developing countries, "The United States and the Developing World: Agenda for Action 1974," to be published on April 9. The report recommends a number of immediate actions, summarized below, to address the urgent problems posed by the energy, food and fertilizer crises which are relevant to the humanitarian food assistance concerns of this Subcommittee.

1. Agreement by food exporting countries to set aside a portion of their food exports for transfer on concessional terms to the poorest countries.

2. A parallel action by capital surplus, oil-exporting countries to set aside a portion of their oil exports for transfer to the poorest developing countries on concessional terms, or to set aside a portion of their oil revenues for development assistance, or both.

3. A worldwide effort to expand low-cost food production with particular emphasis on the poorest countries—including an early Congressional enactment of the IDA replenishment and an expansion of the U.S. bilateral development program recently restructured by Congress to focus on rural development and the poor majority. This also would strengthen motivation for smaller families.

4. A joint effort by the capital-surplus oil exporters and industrial countries to expand world fertilizer capacity and to help the poorest developing countries with their expanding and urgent needs.

5. Establishment of a global system for maintaining adequate food reserves to meet future shortages and to encourage continued high levels of agricultural production during surplus periods.

6. A cooperative effort to help all countries find substitutes for oil, including an interchange of information on energy technology and financing of major projects in the poorest countries by capital-surplus countries.

7. Agreement on providing such short-term financial support for the price-distressed poorest countries as debt postponement and a special issuance of the IMF's Special Drawing Rights.

8. International pledges to the World Food Program need to be expanded beyond the original target of $440 million for 1975–76 in order to offset the effects of soaring commodity prices. The United States can encourage that expansion by agreeing to continue providing 32 per cent of total WFP resources on a matching basis at levels beyond, and not just up to, $440 million.

Two points need to be underlined. First, these actions go beyond the issue of humanitarian food assistance in its narrower sense. However, the situation of the hardest hit poor countries is so acute as a consequence of the price shocks and dislocations of the past year that humanitarian assistance alone would never be adequate to meet the needs in much of Africa and South Asia. These countries—described by some as a new "Fourth World" to distinguish them from other Third World countries which are less seriously hit or even significantly helped by recent price changes—need to greatly increase their domestic production of foodstuffs and energy over the next several years if they are not to be permanently disadvantaged by the new era of high energy and food prices.

Second, these actions would be mutually reinforcing if all or most of them could be secured. Their total impact would go well beyond dealing with immediate problems of the current economic turmoil to hold out the prospect of accelerated development. Moreover, some of these proposals might be easier to adopt in association with others. Thus, for example, both grain exporters and oil exporters might find it easier to approve concessional sales of their respective commodities if each knew the other was prepared to do the same.

It is not necessary to get agreement on all actions at once. They could be discussed in several forums over the next year or more, beginning at the United Nations Special General Assembly on Raw Materials that opens on April 9. A most important opportunity later this year will be the World Food Conference, which should be broadened to include the related topics of energy and fertilizer because of their relevance for food production. Encouragement of constructive U.S. leadership by this Committee and the Congress as a whole is critically important at this crucial time.

ENERGY, FOOD, FERTILIZER, AND THE NEW FOURTH WORLD

An emerging new order

Any meaningful assessment of the implications to be drawn from the energy and food crises of the past year must take into account that these shortages are primarily a result of a newly emerging international economic and political order resulting from the unparalleled economic growth of the past quarter century. Global shifts of this magnitude rarely take place smoothly. A principal challenge for the future is how to accommodate to the structural changes required as a result of the progress of the past 25 years without sentencing whole nations and much of mankind to unnecessary suffering—and even premature death.

The jarring changes the world has experienced in the past year have resulted from two quite different sets of circumstances—short-term and cyclical factors on the one hand, and longer-term and more permanent kinds on the other. With respect to the short-term circumstances, the early 1970s witnessed an unprecented business boom caused by the simultaneous expansion of all the industrial economies for the first time since World War II. Other major but short-term factors have included unprecedented droughts in the case of food and the Middle East conflict in the case of oil.

Viewed from the perspective of ten years hence, however, the shortage crises of the past year—while accelerated by the short-term factors—will probably be seen as essentially the product of major long-term trends: continuing rapid economic growth taking place within the constraints of an often finite physical system and of relatively inflexible political and economic structures. As the global scale of economic activity has expanded—from roughly $1 trillion in global production in the late 1940's to some $4 trillion in 1974—it has begun to push the global system increasingly to the limits of its adaptive capacity. There was relatively little strain on the world system 25 years ago, but as the world approached its third trillion dollars of global production in the late 1960s, signs of stress began to appear at many points. We began experiencing an ecological overload, ranging from massive environmental pollution in cities everywhere to an over-harvesting of the world catch of table-grade fish, which appears to have led to a decline and fluctuation in the world fish catch over the past three years. Global increases in population growth, averaging 2 per cent a year, as well as in affluence, averaging 3 per cent per capita annually, have increased the demand for food by some 30 million tons each year, thereby straining the productive capacity of the world agricultural system. Even in the case of many commodities for which additional productive capacity exists, for example oil and coffee, soaring world demand is bringing about sufficient shifts from the buyer's circumstances of the last 25 years to those of a new seller's market.

It bears remembering that the period since World War II was characterized largely by material surpluses. The central economic issue of the period was access by producers to the markets of consuming nations. The international rules developed under the General Agreement on Tariffs and Trade (GATT), the Kennedy Round of trade negotiations in the 1960s, the key resolution by the developing countries at the past three UNCTAD conferences, and the proposed Trade Reform Act of 1973 have all taken place or been developed in this context of seeking to safeguard and to increase access to markets. Recent events indicate that an equally important, or even more important set of issues is taking shape around the question of assuring consuming nations reasonable access to resources—such as energy, minerals, grain, fish, soybeans, and timber—and on the associated need to develop global approaches to the new worldwide problems arising from scarcity in the marketplace. The shift from traditional buyers' markets to global sellers' markets for an ever lengthening list of commodities is bringing a host of profound changes, many of which are still only remotely sensed.

Energy, Food, and Fertilizers: The Price Shock

The "price shock" which many developing countries are experiencing comes primarily from two quite different factors: (1) the in-

crease in oil prices, (2) higher prices for essential food and fertilizer from developing countries. If prices remain at current levels (which are four times those of 1972), the non-oil-exporting developing countries will have to pay $10 billion more for necessary oil imports in 1974 than in 1973. Some $2.5 billion of this total will represent the increase in the oil bill of Latin American countries. Moreover, it is likely that most of this money will be "recycled"—in the form of purchases and investments by oil-exporting countries—*not* into the economies of the hardest hit non-oil-exporting countries, but into those of the developed countries. At the same time, the increased cost of the food and fertilizer imports of the non-oil-exporting developing countries from the developed countries will exceed $5 billion. With wheat and nitrogenous fertilizer prices more than three times those of 1972, the increased import bill for these two commodities alone (primarily from the United States) will be over $3.5 billion.

As a consequence of these rises, the developing countries will need to pay some $15 billion more for essential imports in 1974. The massive impact of these price increases is indicated by the fact that they are almost doubled the $8 billion of all development assistance that the developing countries received from the industrial countries in the same year. Additional to these are the substantial expenditures required to cover price rises of manufactured products from developed countries, increases which totalled 19 per cent in 1973 for exports from OECD countries as a whole.

Equally important, many developing countries will be further damaged if the present worldwide economic slowdown is allowed to drift into a major global recession. Their export earnings would be reduced, and those countries depending heavily on workers' remittances and on revenues from tourism—for example Mexico, Turkey, and the Caribbean countries—would suffer additional harm. Whether a global depression can be avoided depends on how the developed countries (and notably the United States) react to the new situation.

For virtually all developing countries, however, an offsetting factor is the higher prices they now receive for their commodity exports. Thus, the nearly $2 billion Brazil pays in price increases in 1974 for its imports will be substantially offset by the much higher prices it is receiving for its commodity exports (coffee up 36 per cent, soybeans 79 per cent) compared to two years ago. It is not a major offset for many other countries, however. For India, for example, the increases in the prices of its exports (up 19 per cent for tea, 17 per cent for jute) only offset the increased costs of manufactured imports.

Effects of the price increases on particular developing countries

Beyond these general effects on all of the developing countries, however, the impact of price increases, as already indicated, varies greatly among individual developing countres. The major oil exporters—including Venezuela and Ecuador in Latin America—are one category of developing countries which obviously benefits. These countries—whose combined population of more than one quarter billion is greater than that of North America, or the European Community, or of Latin America—will be in a greatly improved position to accelerate their economic growth. However, the degree of benefit varies sharply among the countries within this group. Thus Venezuela's increased earnings from oil alone will in 1974 more than triple its total imports of $2.4 billion in 1973. Indonesia, which is an extremely poor country within this category, now benefits only to the extent of $20 per capita from the oil price hikes; but even in this case, the additional oil earnings—in combination with the good prices it is getting for its other raw material exports—will remove foreign exchange as a major constraint on its development effort.

It must be noted, however, that increased foreign exchange availability does not remove, although it may alleviate, other major development constraints—the many social problems faced by most oil-exporting countries. Thus in such disparate countries as Venezuela, Nigeria, Algeria, and Indonesia, the serious unemployment and income maldistribution problems which are largely a consequence of their economic and social structures and policies have not been solved, and may only be eased, by growing availability of foreign exchange. Djakarta's vast urban slums and its recent riots are vivid reminders that growing social problems can exist side by side with accelerating economic growth and increased foreign exchange earnings. Saudi Arabia and the Persian Gulf Emirates also face major problems of transition from feudal to modern structures. These countries will need continued technical cooperation in solving their development problems, but they clearly no longer require any capital financing on highly concessional terms.

A second category of developing countries consists of those non-OPEC countries which, on balance, have not been significantly injured by the price trends of the past two years or those that appear to be net beneficiaries. Some of these countries are self-sufficient in oil or are minor oil exporters; some benefit substantially from their exports of other raw materals whose prices are increasing; and some enjoy both of these advantages. China, Colombia, Mexico, Bolivia—and, shortly, Peru as well—are in the first sub-group, while Malaysia, Morocco, Zambia, Zaire, and probably also Brazil belong in the second. Tunisia because of its phosphates, and Bolivia because of its tin are examples of minor oil-exporters benefiting under both headings. The countries in this broad category range from Brazil, whose advantages in other areas will largely offset the net effect of the price changes of 1972, to Tunisia, Malaysia, or Bolivia, which will benefit significantly from the changes in terms of trade—though to a much lesser extent than the OPEC countries.

Mexico and Tunisia, however, also belong to a third category of countries—those which will suffer disproportionately from any economic slowdown in the industrial countries because of their close linkages with the major industrial regions of the West. These are nations which during the past 15 years have successfully capitalized on their physical proximity to the industrial countries to increase their earnings from tourism, workers' remittances, and exports of agricultural perishables. Greece, Spain, Turkey, Yugoslavia, Tunisia, and Algeria are among those who have benefited greatly from their participation in Western European economic expansion. Thus, in 1973, Yugoslavia and Turkey each earned more than $1 billion from workers' remittances, and Yugoslavia earned an equivalent amount from tourism as well. Mexico and the Caribbean have been the most conspicuous gainers from proximity to the booming North American market. Mexico's tourism earnings, for example, exceeded $1 billion in 1973.

A related but somewhat different group of countries includes countries such as South Korea, Taiwan, Hong Kong, and Singapore, which are closely integrated with the world economy but almost entirely through the processing of goods. The energy component of their imports is very large, and they also are substantial food importers. The combined increase of South Korea's oil and food bills in 1974 is likely to approximate $1 billion. These countries clearly are affected adversely by the greatly increased prices of the energy and raw materials they need. However, the crisis period for such countries may well be of relatively short duration, since—provided that there is no major global recession and the market continues strong—they should be able to pass along much of the extra cost to the buyers of their manufactured exports. In recent years, most of these countries have developed sizable foreign exchange reserves, as well as established patterns of access to export credits and to Wall Street and Euro-dollar markets.

Because of the inherent strength of the ties of these two groups of developing countries to the industrial economies, their problems of adapting to the new price structure should not prove impossible unless the slowdown in the industrial countries is serious and long-lasting. In 1974 and 1975, many of these countries will need access to funds of a type which should be relatively easy for the international economic community to provide if the Western nations wish to accommodate the needs of these countries. Many of the measures developed for assisting the OECD countries to adjust to the higher oil prices should be applicable to them as well, and it should be possible to ensure their continuous access to the Euro-currency markets and export credits despite their short term difficulties.

The fourth and final category of countries consists of the hard core of seriously troubled countries, totaling about forty in number. Most of these countries are in tropical Africa, South Asia, and the Central American-Caribbean area, but the category also includes Uruguay, and possibly Chile and the Philippines. It is important to realize that these countries together contain some 900 million people—nearly half the population of the developing world exclusive of China. For this group of countries, the consequences of the changes from 1973 are overwhelmingly negative. Most of these countries not only are the poorest in the world at present, but also have the most dismal growth prospects for the future. Their net share of the identifiable adverse effects of the recent price increases amounts to some $3 billion. In addition, these countries face imponderables such as the cost of reduced direct private investment in the wake of these economic disruptions, or the decline in their export earnings due to the global economic slowdown in 1974. Finally, if the countries in this category are to maintain their development momentum, they will need major additional investments either to increase their food, fertilizer, and energy production to reduce their dependence on these high priced imports, or to establish new export industries to enable them to pay their vastly higher import bills—or both.

Extraordinary measures will need to be found to assist these countries. Most of the measures suitable for helping the third category of countries described above are not suitable for the fourth category. These poorer countries are unable to assume large additional amounts of short term or medium term credits on near-commercial terms because of their already high debt burdens and limited foreign exchange earning capacity.

Worsening world food situation

It has been apparent for approximately a year now that the current international scarcity of major agricultural commodities and the major drawdown of world food reserves reflects important long-term trends as well as the more temporary factor of lack of rainfall in the Soviet Union and large areas of Asia. We probably are witnessing in the world food economy a fundamental change

from two decades of relative global abundance to an era of more or less chronically tight supplies of essential foodstuffs—despite the return to production of U.S. cropland idled in recent years. A major reason behind this shift has been the fact, as noted earlier, that growing affluence in rich countries is joining population growth in the poor countries as a major cause of increasing demand for foodgrains. At the same time, over-fishing has interrupted the long period of sustained growth in the world fish catch—thus limiting the supply of another important protein source.

As a consequence of these fundamental changes and the temporary phenomenon of drought, global food stocks have been dropping in recent years. Including the idled cropland as a ready second line food reserve, the global reserves have dropped from the equivalent of 69 days of consumption in 1970 to some 36 days of reserves by last summer. Despite the highest grain production and the highest grain prices in history in the current crop year, global reserves are continuing to fall and may reach the level of only the equivalent of 26 or 27 days supply by the end of fiscal year 1974.

Food production prospects for the developing countries for the next crop year beginning in July are even less hopeful than they were last fall. Most developing countries will be even more short on foreign exchange, as a result of the doubling of energy prices last December, and shortages of imported energy, fertilizers, pesticides and other farm inputs can result from this factor. In addition, the world is faced with a fertilizer shortage which will last at least for several years. Developing countries currently are hurt the most. This is evidenced by the 750 thousand to one million ton shortfall in India's fertilizer imports, which will result in an additional production shortfall of 7 to 10 million tons of grain, and could mean an *additional* import bill of over $2 billion. Barring some new governmental intervention, developing countries can expect their fertilizer supply to be cut back far more than will be the case in the industrial countries manufacturing fertilizers, where political priorities will make themselves felt. This is particularly unfortunate at times of global scarcity since each additional ton of fertilizer used on rice in Bangladesh will possibly yield close to double the yield it will bring in Japan (or the United States) where already heavy fertilizer use has reached the point of rapidly diminishing returns.

In the United States the combination of new acreage being restored to production, the greater use of fertilizers because of the much higher prices for grains, and the increased use of urea for feed, have resulted in an unofficial "quasi-embargo" on U.S. fertilizer exports in recent months. U.S. domestic urea prices are less than one-half those being paid by developing country importers when suppliers will sell to them. Japan, in recent years the world's largest fertilizer exporter, has cut back its production severely as a consequence of the energy crisis, to the point where this year it will be largely limited to meeting the demands of its politically important domestic market and supplying Communist China. It will be at least three years before adequate nitrogenous fertilizer capacity can be constructed and more probably five or six years in the absence of a major international program.

The serious implications of this decreased availability of fertilizer for developing countries over the next several years become even clearer when it is remembered that if developing countries are to increase their agriculture by 4 per cent annually in the 1970s, their fertilizer use will have to increase by 14 per cent annually as contrasted to increases of 8–10 per cent in recent years. (Historical experience indicates that a 3.5 per cent increase in national fertilizer use is required for a developing country to increase its yields by 1 per cent.)

The adverse effects of this fertilizer shortage extends far beyond the immediate loss in production in the developing countries. It also threatens to interrupt the whole forward momentum of the laboriously launched Green Revolution, which has been centered around encouraging farmers to use the new rice and wheat seeds, whose profitability depends on heavy use of fertilizers. Hundreds of thousands of small farmers who have taken to the Green Revolution in recent years will now be faced with major difficulties, and many may revert to traditional varieties less dependent on fertilizer and pesticides.

The food problems of developing countries will be further aggravated by the likely continuing decline in world food aid at a time when soaring food and energy prices and fertilizer and energy shortages put them in great need. U.S. shipments under the Food for Peace Program are down two-thirds this year from the physical volume of several years ago, and could well drop even further next year. Increased exports to the affluent countries is the principal reason. U.S. agricultural exports increased by $7 billion to $20 billion this year, with some 90 per cent of the increase due to price rises.

Finally, an even more urgent case now exists for substantially increasing international efforts to aid agricultural development within the developing nations through food for work, World Bank, and AID programs. Many poor countries have a vast unexploited agricultural potential. Those countries which have been able and willing to exploit the Green Revolution potential in wheat and rice have demonstrated that significant increases in food production are possible in many developing nations at far less cost than comparable increases in many of the more agriculturally advanced nations. There is increasing evidence, moreover, that assistance earmarked for agricultural development should give special attention to the role of small farmers in the production effort. In many developing countries, small farmers—when given effective access to needed agricultural inputs as well as health and educational services—have engaged in more intensive cultivation and generally achieved higher per-acre yields than those with large farms. By improving the access of the poor majority to both income and services, this approach to rural development also contributes greatly to the motivation for smaller families that is the prerequisite of a major reduction in birth rates.

Steeply declining food aid

Since 1954 the United States has maintained a large and generous food aid program under PL 480. This landmark measure made it "the policy of the United States to use (our) abundant productivity to combat hunger and malnutrition and to encourage economic development in the developing countries" through concessional sales under Title I and humanitarian grants under Title II. For nearly two decades, the PL 480 program was one of those fortunate and somewhat unique institutions which satisfied many goals simultaneously—providing an outlet for U.S. commercial surpluses, building future commercial markets, aiding the economic development of recipient countries, supplying crucial U.N. and voluntary agency programs to improve the nutritional levels of vulnerable groups, and forestalling massive famine when natural disaster strikes.

Since 1966, the program has not been directly linked formally to the existence of large surplus stocks in the United States. Instead, a rationale for U.S. food aid was provided going far beyond the concept of surplus disposal to view food aid as an important foreign policy tool and a humanitarian responsibility. The continued presence of large food stocks and tens of millions of acres of idled cropland, of course, made the shift in rationale relatively easy to articulate. Events of the last year, however, have brought to the fore the unresolved contradictions and ambiguities inherent in the purposes of the program. Faced with low grain stocks last summer, the United States reportedly delayed shipping an additional 100,000 tons of grain for emergency relief to the Sahel until we were certain that the harvests later that year would replenish our supply.

As the following tables demonstrate, the recent emergence of food scarcity and high prices in the United States has led to a substantial reduction in the quantities of food supplied under PL 480. While the decline in dollar terms has not been great, when the program is examined by quantity and recipient country, the shrinkage is very dramatic.

In analyzing the decline in PL 480 aid of the last year, it is necessary to distinguish between Titles I and II of the program, since aid under the two titles operates in different manners for different purposes. Under Title I, most food is sold under long-term loans for dollars or convertible currencies, with interest rates set below commercial levels. Small amounts are sold for local currencies where a genuine U.S. need for these currencies exists. As Table 1 shows, the dollar value of Title I food commodity exports increased between FY 1972 and FY 1974, rising from $549 million to $640 million. The total quantity of grains and high protein products shipped, however, fell in 1974 to less than one-third the 1972 levels. Milk shipments dried up entirely.

TABLE 1.—TITLE I: FOOD SHIPMENT FISCAL YEAR 1972–75 (SALES FOR DOLLARS ON CREDIT TERMS AND FOREIGN CURRENCIES)

Commodity	1972	1973	1974 (estimate)	1975 (U.S.D.A. presentation)
	Thousand metric tons			
Wheat and products	4,615	2,517	1,005	1,254
Milk, dried, evaporated or condensed	19	2	0	0
Blended food products	0	0	2	7
Rice	813	987	620	1,000
Corn, grain, sorghum	1,217	1,289	454	1,140
Vegetable oils	193	107	148	166
	Million dollars			
Value of title I food commodities	549	555	640	567
Total title I commodity value (ind. cotton, tobacco, inedible tallow)	675	685	740	703

Source: U.S.D.A.

An examination of the country breakdown of Title I sales reveals more clearly the extent to which Title I sales have dwindled for most poor countries. As Table 2 shows, the portion of Title I food sales going to four nations in which the U.S. maintains a special security interest—South Vietnam, Cambodia, Jordan, and Israel—doubled in one year to reach 63 per cent in the current fiscal year. Half the wheat, two-thirds the feedgrains, and all the rice shipped under Title I this year is going to these four countries. With the total level supplied of each of the commodities already cut sharply, it is apparent that non-security Title I programs have been reduced much more substantially than aggregate figures would suggest.

TABLE 2.—TITLE I: AID TO SECURITY ASSISTANCE COUNTRIES (SOUTH VIETNAM, CAMBODIA, ISRAEL, JORDAN) AS PERCENT OF TOTAL TITLE I

[In percent]

Fiscal year	1972	1973	1974 (estimate)	1975 AID presentation
Security assistance as percent of quantity, title I:				
Wheat	NA	15	47	29
Rice	NA	47	100	49
Feed grains	NA	51	66	31
Vegetable oil	NA	22	9	16
Security assistance as percent of total food tonnage (wheat, feed grains, rice, vegetable oil)	NA	31	63	35
Security assistance as percent of value, total title I commodities	25	36	73	41

Source: USAID.

Under Title II, most food is provided on a grant basis to governments, voluntary agencies, and the U.N.'s World Food Program. The commodities supplied are used in nutritional programs for vulnerable groups such as mothers, infants, and school children, in "food for work" programs to build infrastructure, and in disaster relief activities such as in the Sahel and Ethiopia.

Even the dollar value of Title II food shipments has fallen over the last two years and this, combined with soaring prices, has resulted in a devastating decline in the quantity of food supplied. Wheat shipments are half of last year's, and rice and milk shipments have disappeared. Only the tonnage of so-called feedgrains has risen, reflecting the shipment of grain sorghum to the Sahel.

TABLE 3.—TITLE II: FOOD SHIPMENTS FISCAL YEARS 1972–75 (VOLUNTARY AGENCY GRANTS, WORLD FOOD PROGRAM, GOVERNMENT TO GOVERNMENT GRANTS FOR DISASTER RELIEF AND ECONOMIC DEVELOPMENT)

Commodity	1972	1973	1974 (estimate)	1975 (U.S.D.A. presentation)
	Thousand metric tons			
Wheat and products	1,614	1,649	718	628
Milk (dried)	115	26	0	0
Rice	248	33	0	0
Corn, oats, grain sorghum and products	257	246	379	271
Blended food products	266	195	182	143
Soybean products	4	1	1	0
Vegetable oils	187	111	53	58
	Million dollars			
Total title II food commodity value	380	290	248	175

Source: U.S.D.A.

The shrinking supply of goods under Title II over the last year is having disastrous effects on the valuable programs of the voluntary agencies and the World Food Program, which depend heavily on U.S. food grants. In FY 1972, 90 million of the world's poorest people earned or received food originating within the Title II program, including 46 million in maternal, infant, and child feeding programs, 15 million in food for work programs, and 28 million in disaster and refugee programs. No one knows how many millions of the nutritionally vulnerable people have had to be cut from these programs as a result of the declining availability of food supples under Title II documented above, but it almost certainly numbers in the tens of millions.

Ironically, as the USDA is predicting bumper crops and we are earning more from their sale than ever before, the amount of food made available to the voluntary agencies is shrinking just as the need is increasing and they are putting a new emphasis on the very kind of rural and agricultural development projects most necessary as a long-term solution to the present crisis—and even as the Congress has advocated increasing reliance on the private sector in our foreign aid activities. Similarly, the nutritional and public works projects of a growing and valuable international institution—the World Food Program of the FAO—are being cut back to levels lower than past years due to the declining purchasing power of its funds.

The sharp decline in actual shipments of food aid under each commodity supplied under PL 480 is shown in Table 4.

What is needed is a mechanism effective under the new circumstances of tight supply and increased human need for managing our own production and marketing so that our complex domestic, commercial export, and humanitarian export responsibilities can be met. There is no reason why we cannot meet reasonable export as well as domestic needs, provided that a means of orchestrating the balanced uses of our agricultural wealth be devised.

TABLE 4.—TOTAL PUBLIC LAW 480 SHIPMENTS, TITLES I AND II, FISCAL YEAR 1972–75

Commodity	1972	1973	1974 (estimate)	1975 (U.S.D.A. presentation)
	Thousand metric tons			
Wheat and products	6,229	4,166	1,723	1,882
Milk (dried, evaporated, condensed)	134	28	0	0
Rice	1,061	1,020	620	1,000
Blended food products	266	195	184	150
Corn, grain sorghum, oats and products	1,474	1,535	833	1,411
Soybean products	4	1	1	0
Vegetable oils	380	218	201	224
	Million dollars			
Total value of food commodities	929	845	888	742
Total Public Law 480 commodity value (ind. cotton, tobacco, inedible oil)	1,055	975	988	878

Source: U.S.D.A.

The world food program

Special mention should be made that the World Food Program's (WFP) pledging target for 1975–76 is $440 million in food and cash. Officials are very optimistic about meeting this following the recent Saudi Arabian pledge of $50 million—making it the second largest donor behind the United States. The United States is pledged to underwrite 32 per cent of the total contributions up to the program total of $440, meaning up to $140 million for the United States. The 32 per cent portion for the United States represents a reduction from 40 per cent in the current pledging period and up to 50 per cent in past years. As of April 1, a total of $412 has been pledged.

Unfortunately, due to rising prices of both commodities and freight, many valuable planned development projects have had to be suspended or cancelled this year, and ongoing projects have been cut. According to WFP Executive Director Dr. Francisco Aquino, the tripling of commodity prices of 1973 has "resulted in an estimated shrinkage of the Program's 'Food Basket' by about 40 per cent, which has seriously affected the Program's ability to meet its commitments."

Looking at projected prices last October, Dr. Aquino noted that pledgings of $650 million would now be necessary to enable the WFP to meet its planned goals for 1975–76. However, WPF officials accepted the more "realistic" target of $440 million, and proposed that target to the General Assembly last December where it was accepted. If pledgings of $440 million are achieved, it is expected that the total quantity of commodities available to the WFP during the period will be below the levels of 1973–74.

The WFP has played an increasingly valuable role, now in 88 countries with an emphasis on the "least developed," in meeting nutritional needs of vulnerable groups, food for work development projects, and disaster relief—most recently in the Sahel and Ethiopia. The list of projects now being suspended is a depressing one, including rehabilitation of war refugees in Pakistan and sorely needed irrigation projects in India. Thus the international community would do well to follow Dr. Aquino's plea and make every effort to exceed the $440 target by a substantial margin, just as the targets of the present period and of the 1969–70 period were exceeded. If the EEC comes through with a planned $60 million pledge which is yet to be approved by the Ministers, the target will be exceeded soon. If Iran and Kuwait, which have not yet pledged, decide to give substantial sums, and if other OPEC nations could be persuaded to follow the Saudi Arabian lead, it would be possible to salvage some of the plans which have been scrapped due to the commodity shortage. The United States could play an important role in encouraging further pledges by agreeing to continue providing 32 per cent of the total at levels beyond $440 million. The United States would be helping to strengthen an important international institution, and every project saved would serve highly worthwhile ends. The effect of higher prices on the poor, and the need for a crash effort to increase developing country food production rapidly, highlight the importance of WFP programs to build necessary agricultural infrastructure and alleviate malnutrition among the vulnerable.

The special role of food aid

Concessional food sales and food relief measures have a crucial and unique role to play as the international community attempts to fashion a new order out of the current global economic malaise. As the impact of fertilizer scarcity and tight world food supplies emerges over the next year, it appears extremely likely that many food deficit nations will have large import needs but will simply lack the capacity to buy needed food at prevailing prices. A world program, led by the United States but also involving Canada, Australia, and possibly the EEC, to provide substantial levels of grain on concessional terms to the hardest hit nations may be absolutely essential during the next several years if large-scale disaster is to be avoided. Such a program would not have to be viewed as a permanent food aid effort; rather, the need is for a major emergency effort to tide over the nations hardest hit by the jarring events of the last year until fertilizer and food production can resume their upward trend, and the necessary economic adjustments to new world market conditions can take place.

Since agricultural development is such an important key to solving the present crisis of the Fourth World, food for work programs which enable the mobilization of manpower for construction of needed infrastructure must be seen as an important aspect of the overall aid effort. Nutritional programs for vulnerable groups must also be seen as an important aspect of both the immediate recovery effort, and the long-term food aid need. Therefore, as the U.S. food aid program is designed for the future, it is essential to preserve a major program of granted food aid like that now supplied under Title II of PL 480. To permit efficient planning of nutrition and development projects, particularly by the international voluntary agencies and the World Food Program, it is also essential to devise a means of providing some semblance of security of supply over a multiyear period.

The food aid program must develop the flexibility to ensure that when commodity prices rise dramatically, extra funds will be forthcoming to prevent the wholesale dislocation of projects, for it is during times of scarcity that the projects assume their greatest importance.

The matter of protecting PL 480 commodities for overseas use is the subject of a Sense of the Congress Resolution attached to the Foreign Assistance Act of 1973 as the result of a Senate initiative. It is also the subject of S. 2792, an amendment to Section 401 of the Agricultural Trade Development and Assistance Act of 1954 now pending before this Committee. I commend your continuing efforts to convert that Resolution to the law of the land.

There is much to be said for the recent proposal of the Church World Service of the National Council of Churches that a tithe, or ten per cent, or our exportable agricultural commodities, over and above our domestic needs, be used annually to help meet world food needs through concessional sales, humanitarian grants, and world food reserves. While in FY 69 our contribution for such purposes was about 18 per cent, it has dropped steadily in the past five years to a current level of about 5 percent, as need has risen sharply and as the prices at which we sell our grain has doubled and trebled. The same Judaeo-Christian tradition of concern for the world's hungry people developed in this Nation during a time of agricultural surplus should now be reaffirmed during a time of world food scarcity. We have unwittingly slighted the world's hungry people and need now to reaffirm our traditions of caring and sharing which represent the American people at our best—and is in the enlightened best interest of all in the increasingly interdependent world.

Finally, more thought needs to be given to methods for reducing wasteful use of grain by the affluent in both the rich and the poor countries to ease global food scarcity. Beef, requiring up to seven pounds of grain to produce a pound of meat, may be the food counterpart of the two to three ton highway gas guzzlers getting 8 miles per gallon. Chicken, requiring only two to three pounds of grain per pound of meat, is the "sub compact" of the energy field. Since affluence in the rich countries can contribute to millions of premature deaths in the poor countries in scarcity periods such as 1974 and 1975, should not consideration be given to special measures to reduce wasteful consumption of food just as we have reduced our consumption of energy through turning down thermostats, driving more slowly, and greater use of smaller cars?

Conclusion

Paradoxically to most Americans, the United States may be the only major industrialized country currently able to take a lead in a cooperative global effort to counteract the effect of recent price changes. The United States is least dependent upon oil imports and is benefiting by about $6 billion in FY 1974 from higher prices for its food exports. Its balance of payments in 1974 and 1975 should be favorable despite a possible trade deficit, reflecting the fact that the United States will provide the most attractive investment opportunity for the oil exporting countries with their potential $50 billion to $66 billion annual capital surplus. However, the moral and logical position of the United States in urging OPEC action to ease the world crisis would be greatly strengthened by an initiative to use our dominance (together with that of Canada and Australia) of the world food supply to work together with the OPEC countries who dominate the world's energy.

The past year has clearly indicated what can lie ahead if, by preference or by lack of foresight, the law of the jungle, rather than cooperation, remains the response of nations. As the discussion of food illustrates, many of the new problems of global scarcity brought on by rising affluence and increasing populations should be amendable to alleviation, certainly, and even possibly to solution through cooperative international action. A major U.S. initative in the food field would be in its humanistic tradition, and is desperately needed if tens of millions are not to die prematurely in the 1970s from increased malnutrition as a result of higher food prices and food scarcities. The costs would be shared in an international effort, and the long-term benefits to the American farmer and consumer could be substantial quite apart from the impact of such an initiative on the new global politics of resource scarcity. And it could make more likely a parallel effort in the energy field by the richer OPEC nations.

Mr. HUMPHREY. Mr. President, the final witness, Mr. Frank L. Goffio, described how the voluntary agencies utilize private donations and Public Law 480, title II, commodities supplied by the Government to carry on a whole host of programs overseas to further development and combat malnutrition.

He indicated that programs of this nature with inputs from the host country and U.S. citizens cannot be turned on and off again. One of his concerns was that there not be another gap in the food pipeline during the first quarter of the next fiscal year as there was in the first quarter of the present fiscal year.

Both Mr. Goffio and Mr. Grant supported the sense of Congress provision in last year's Foreign Assistance Act whereby the Secretary of Agriculture will take into account humanitarian needs in making U.S. production and set-aside decisions, as a way of giving a renewed commitment to the Public Law 480 program.

Mr. President, I ask unanimous consent that the statement of Mr. Goffio be inserted at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY FRANK L. GOFFIO

Mr. Chairman and Members of the Committee: My name is Frank L. Goffio. I am Honorary Chairman of the American Council of Voluntary Agencies for Foreign Service, Inc. and I also serve as Executive Director of CARE, Inc., one of 43 U.S. voluntary, non-profit organizations which comprise the membership of the American Council. Like CARE, other member agencies of the Council are deeply involved in attempting through their programs to alleviate the social and human needs of the refugees, the hungry, the homeless and the hopeless overseas. They do this as voluntary channels for the expression of the traditional care and concern of the people of the United States for those less fortunate than themselves. Reflecting in their constituencies the broad spectrum of American pluralistic life, including the major religious faiths, the member agencies of the American Council believe that in expressing to you this morning their concern about PL 480 and its continuing implementation, they are properly interpreting to you these abiding concerns of the American people.

The voluntary agencies of the American Council which have been privileged to participate in the PL 480 food donation programs since its inception in 1954 (and before that under Section 416 of the Agricultural Act of 1949) have testified before members of the Committee on Agriculture of both Houses on many earlier occasions regarding the incomparable value of this most enlightened piece of humanitarian legislation enacted by the U.S. Congress. They have described to you the ways in which PL 480 food commodities, distributed by them on a people-to-people basis have saved lives, reduced the danger of crippling malnutrition in the pre-school child, helped the poorest to achieve self-sufficiency, and through food-for-work programs and in other ways, aided in the development, not only of the individual himself, but of his community and his nation.

The programs of the voluntary agencies of the American Council are totally humanitarian in motivation and in character, as distinguished from programs in the public sector or those of the business community. They contribute at the same time not only to the immediate relief of suffering (the common concept of the purpose of humanitarian activity), but also to the alleviation of the underlying conditions which brought about the suffering. These programs are in the field of development—economic, social and human development.

It is an economic truism that development is not advanced in the absence of an adequate food supply, whether the food is locally produced or imported. In their development programs the voluntary agencies have made use of the availability of PL 480 food commodities not only to bolster some aspects of their development activity but also directly as an incentive to create such activity as in their food-for-work projects. These projects are carried on by American voluntary agencies in 54 different countries of the world and include such activity as:

Well-digging.
School and warehouse construction.
Fisheries and fish cultivation.
Land clearance.
Construction of farm-to-market and feeder roads.
Irrigation schemes and the like.

However, with the present world food shortages, even threats of impending world famine, and the resulting high cost of food in the United States, plus other current uncertainties concerning food availability under PL 480, the voluntary agencies have a growing and grave concern for the future of these essential programs.

The kinds of development assistance programs which the voluntary agencies operate overseas cannot be turned on and off like spigots because of the unpredictability of a continuing adequate food supply. These activities are not only closely and purposedly interlinked with the PL 480 donation program, but are also carefully planned to include other available resources in the area, as for example, host government (national or local), other nation governmental and private effort, other U.S. public and voluntary effort, and most importantly of all, the cooperation and participation of the people themselves. The effort of all may be impeded or wasted if planned inputs are not forthcoming and responsible continuity of programing cannot with some certainty be assured.

Even while providing emergency assistance in the case of catastrophes such as the most recent devastating drought and famine in the Sahel and Ethiopa, the American voluntary agencies are at work attempting with others to rehabilitate the region and its people. The very work of rehabilitation involves the provision of greater self-sufficiency in food supply making possible the further development of the area. While directly upon the heels of a major disaster there is an outpouring of aid of all kinds, including food, agencies are confronted with the problem that once the immediate emergency is over, assistance which is still needed in the rehabi-

tation and reconstruction stage (e.g. to avert the recurrence hopefully of such disasters) may not be available. Without a reasonable assurance of continuity of food supply, the voluntary agency programs of rehabilitation and development may have to be abandoned or greatly reduced in many of these instances.

The voluntary agencies pointed out these problems in testimony presented last year before both Senate and House Agriculture Committees relative to the extension of PL 480. They declared at that time ". . . we voice our concern lest, in the face of continuing and expanding need, there be failure to implement or to fund the programs adequately." In reply, PL 480 was remandated by the Congress for an additional four years. In addition, the Foreign Assistance Act of 1973 declared it to be the sense of Congress that in assessing food production levels, "the expected demands for humanitarian food assistance through such programs as . . . Public Law 480" be included and that increased flexibility be provided through consideration of legislation to amend Section 401 of PL 480. In the same Act the sense of Congress also was expressed that "The United States should participate fully in efforts to alleviate current and future food shortages which threaten the world." The voluntary agencies concur fully in this position.

It is the particular plea of the American Council of Voluntary Agencies for Foreign Service, and particularly those of its member agencies operating relief, rehabilitation and development programs overseas that especially now with renewed Foreign Assistance emphasis on development and the impending food crisis which confronts the world, the Congress should take whatever steps it deems appropriate to give material substance to the above "sense of Congress" provisions to the end that insofar as possible a continuing and regular food resource will be available to the voluntary agencies under PL 480 for their overseas programs.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. HATHAWAY). The time for the transaction of routine morning business has now expired.

Morning business is closed.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The PRESIDING OFFICER. Under the previous order the Senate will now resume the consideration of the unfinished business, S. 3044, which the clerk will state.

The legislative clerk read as follows:

S. 3044, to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mr. ROBERT C. BYRD. Mr. President, I believe that the distinguished Senator from Iowa (Mr. CLARK) is prepared to call up his amendment on which the yeas and nays have already been ordered. It is my understanding that when debate is completed on his amendment, if completed prior to 3:30 p.m. today—which I am sure it will be—the vote on the Clark amendment will occur at the hour of 3:30 p.m.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

AMENDMENT NO. 1152

Mr. CLARK. Mr. President, I call up my amendment No. 1152 and ask that its reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered, and the text of the amendment will be printed in the RECORD at this point.

The text of the amendment follows:

On page 78, after the matter appearing below line 22, insert the following:

REPEAL OF CERTAIN EXCEPTIONS TO CONTRIBUTION AND EXPENDITURE LIMITATIONS

SEC. 305. Section 614(c)(3) of title 18, United States Code (as added by section 304 of this Act), and section 615(e) of such title (as added by section 304 of this Act) (relating to the application of such sections to certain campaign committees) are repealed. Section 615 of title 18, United States Code (as added by section 304 of this Act), is amended by striking out "(f)" and inserting in lieu thereof "(e)".

Mr. CLARK. Mr. President, I ask unanimous consent that the name of the Senator from Illinois (Mr. STEVENSON) be added as a cosponsor of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, last Wednesday, with only a handful of Senators in the Chamber, the Senate passed amendment No. 1102 by voice vote. The amendment exempted the House and Senate campaign committees of the two major parties from the contribution and expenditure limitations of the campaign financing bill now before the Senate.

In my judgment, the amendment opens an obvious loophole that will allow massive amounts of private money to influence congressional campaigns, seriously compromising the excellent legislation that Chairman CANNON and the rules committee have brought to the floor.

The amendment I have introduced would repeal the sections of the bill added by the amendment passed last Wednesday.

In offering that amendment, the distinguished Senator from Tennessee (Mr. BROCK) said:

It is important that our parties not be weakened. But strengthened, by whatever action Congress takes. I would hope that in writing this particular bill we can provide that sense of purpose with this amendment. (Pg. S. 5189 CONGRESSIONAL RECORD, April 3, 1974).

This bill had just that "sense of purpose" already—without the Brock amendment. The committee bill as reported provided a major role for both the State and national political parties by allowing each of them to contribute an additional 2 cents a voter to a campaign, over and above a candidate's expenditure limitation. The amendment approved last Wednesday deals not with the role of political parties, which have millions of supporters and thousands of small contributors, but with the role of the "In-House" campaign committees of both Houses of Congress.

During the course of the debate, Senator ALLEN expressed some concern about "leaving—contributions and expenditures for these committees—with the sky as the limit." In response, Senator BROCK said:

Our average contribution was something on the order of $23.75 in the Republican Party . . . by no definition can that $23.75 be sufficient to influence the election or the vote of an individual running for the Senate.

Perhaps the average contribution to the Republican Party is $23.75, but that certainly can't be the average contribution to the Campaign Committees of the House and Senate. The ticket price for the Republicans' annual fund-raising dinner is $1,000—for the Democrats, the price is $500. And many of those tickets are purchased in blocks by various groups. No one should confuse national political parties, supported as they are by thousands of people giving in $5 and $10 amounts, with the Senate and House Campaign Committees.

There was another confusing aspect of the amendment which Senator ALLEN inquired about: The maximum amount that could be received from any contributor by one of the "in-house" Campaign Committees. Senator BROCK said:

The same limit that would apply to giving to a campaign or to the national committees would apply here.

I am not at all sure that's the case.

Under S. 3044, an individual is limited to giving $3,000 and a group is limited to giving $6,000 to any single candidate's campaign. But an individual would be limited only by the $25,000 overall ceiling in contributing to one of these committees, and for groups there would be no limit at all.

What this amendment has done is exempt the House and Senate Campaign Committees from any effective restrictions. Individuals could contribute to them almost without limit. Groups could contribute completely without limit. And, unlike any other political committees, these committees could contribute unlimited amounts directly to the candidates—with the candidates' total expenditure ceilings as the only effective restraint.

In the case of a Senate race in California, it would mean that the legal limitation on what the Democratic and GOP senatorial campaign committees could give would be $2,121,450 in the general election. In Iowa, it would be $288,000. In Tennessee, it would be $406,500. It is apparent that last Wednesday the Senate set aside any effective limitation on contributions.

My amendment No. 1152 would repeal the provisions added by amendment No. 1102. I would not lightly raise an issue that already had been considered. But if the Senate allows amendment No. 1102 to stand, it will be compromising the very integrity of this campaign financing legislation.

Let me provide an example. Suppose that in 1976 the Democratic or Republican senatorial campaign committee has pinpointed 10 key Senate races. An organization—and there are many that would be willing and able—decides to give $100,000 to the campaign committee, which in turn passes along $10,000 to each of its 10 "key" candidates.

Now there would be nothing illegal

about that transaction—the money would not have been specifically earmarked for any particular candidate. But the effect would be clear. Each of those candidates would know how they got that $10,000 check, and its real source.

The rules committee has withstood virtually every challenge to S. 3044 so far. Amendment No. 1102 is the one glaring exception. As the Washington Post reported last week.

It is the first substantial breach in provisions of the bill that limit individuals to a $3,000 contribution to any one candidate and organizations to a $6,000 contribution.

The amendment passed last Wednesday directly contradicts the basic goal that we have been working toward over the past 2 weeks—the cleansing of our political process. It should be repealed.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House insists upon its amendments to the bill (S. 2770) to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to medical officers of the uniformed services, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two House thereon; and that Mr. STRATTON, Mr. NICHOLS, Mr. HUNT, Mr. HÉBERT, and Mr. BRAY were appointed managers of the conference on the part of the House.

OPPOSITION TO CAMPAIGN FINANCE BILL

Mr. ALLEN. Mr. President, one of the greatest dangers of congressional service is that some Members get so imbued with what they read and hear in the Washington news media that they tend to forget that the greatest number of Americans and the bulk of our country lie beyond the Potomac River.

I fear that this is the case in consideration of S. 3044, the bill for public financing of campaigns. The pell-mell rush to support public subsidies for politicians, as is proposed in this legislation, is being led—or should I say misled?—in part by the Washington news media.

But there is a rising chorus of opposition throughout the rest of the country to this proposed raid on the Public Treasury. And as newspaper editors in the 50 States understand the implications of this proposal, they are writing editorials opposing public financing of campaigns. The heartland of America is speaking, but I feel that some Senators are still not listening.

Mr. President, as examples of this rising public outcry, I have an editorial, "A Misuse of Public Funds . . . ," from the Saturday, March 30, 1974, issue of the Chicago Tribune, and an editorial, "Mired in Molasses," from the Wednesday, April 3, 1974, issue of the Birmingham Post-Herald.

I ask unanimous consent that these editorials be printed in the RECORD for the edification of all Senators.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Chicago Tribune, Mar. 30, 1974]

A MISUSE OF PUBLIC FUNDS . . .

An irresponsible majority of the United States Senate has twice defeated attempts by Sen. James Allen to remove public financing of political campaigns from the Senate's campaign reform bill. The measure now seems assured of Senate passage.

The House soundly defeated a similar measure last year and is not happy about this year's entry. President Nixon has warned that he will veto the bill if public financing is included. Five of the seven members of the Senate Watergate Committee, whose mission it was to draft campaign reform legislation for the Senate, are strongly opposed to public campaign financing.

Still its supporters persist. Their apparent strategy is to keep battering away until the opposition begins to crack. It must not crack. Public campaign financing poses an insidious threat to this country's two-party, majority-rule system of government.

As the President and many others have noted, the bill is designed to eliminate private contributions, and thus deny to voters the right to give financial support to the candidate of their choice. Instead, their tax money would be used to support all candidates, including those they opposed. Black taxpayers, for example, could be supporting the candidacy of Gov. George Wallace.

True, the scheme would curb the appalling cost of Presidential elections, shown in the accompanying graph, but in congressional campaigns, spending might well increase. Congressmen who have been reelected easily with campaign treasuries of only $20,000 would find themselves with $90,000 to spend.

As Sen. Howard Baker, vice chairman of the Watergate committee, noted, public financing would give the government fiscal control over elections. This could easily lead to assuming regulatory control, thus giving the party in power tremendous influence.

Public financing has been rationalized as a means to prevent corruption, but it goes much farther than that. As Walter Pincus, executive editor of the New Republic, put it in a statement supporting the proposal: "Don't kid yourself that you back public financing to prevent Watergates and corruption. You do it to change the system."

The scheme would hand out public money to any and all qualified comers in congressional and Presidential primaries. Candidacies would multiply like rabbits. Special interest organizations like the American Civil Liberties Union, Nader's Raiders, the gun lobby, Common Cause, corporate associations, and labor unions could become political parties in their own right. The two major parties and the two-party, majority-rule system could founder. Chaos could result.

In the words of Mr. Baker: "We are burning down the barn to get rid of the rats."

[From the Birmingham Post-Herald, Apr. 3, 1974]

MIRED IN MOLASSES

Despite all the lofty rhetoric, it will take some fancy legislative maneuvering to get an effective campaign reform bill through Congress this year.

A more likely prospect is that campaign reform will disappear in a vat of election-year molasses and not be seen or heard from again until 1975.

The reason for this dismal prediction is the current disagreement among the House, the Senate and President Nixon over what needs to be done to curb excessive spending and loose bookkeeping in congressional election campaigns.

Judging by its past lack of enthusiasm, the House would like to do nothing—or at least do nothing to make it easier for challengers to oust incumbents.

Rep. Wayne L. Hays, D-Ohio, the man in charge of reform legislation, is adamantly opposed to setting up an independent elections commission. Under present law, the House and Senate police their own campaign practices, which is like sending a barkless dog on burglar patrol.

The Senate has been much more responsive, passing a reform bill last July that would have set limits on campaign spending and campaign giving; outlawed all cash contributions of more than $50; required full disclosure of a candidate's assets and income; encouraged television debates among major candidates; funneled each candidate's spending reports through one central committee, and set up an independent elections commission.

Now the Senate is on the verge of sabotaging its own bill by insisting that tax money be used to help finance all congressional and senatorial election campaigns, both primary and general.

This is a bad proposal. It would make money available to candidates who have no real base of support. It would provide too much money in some places, too little in others. Even if it passes the House, which is unlikely, the President, who opposes public financing, is expected to veto it.

That would leave the reform campaign back where it started—with no limits on how much pressure groups can give to candidates; no limits on how much candidates can spend, and no independent commission to blow the whistle when necessary.

This is fine and dandy for lobbyists and special interest groups, who stand ready to pour millions into political campaigns this year, much of it aimed at keeping good old Jack ("he'll take care of us") in office for another term.

But it's a strange way to restore voter confidence in a much-abused political campaign system that badly needs some basic reforms.

RECESS UNTIL 2 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 2 p.m. today.

There being no objection, at 1:18 p.m. the Senate took a recess until 2 p.m.; at which time the Senate reassembled when called to order by the Presiding Officer (Mr. MANSFIELD).

The PRESIDING OFFICER. The Chair (the Senator from Montana, Mr. MANSFIELD, in the chair) suggests the absence of a quorum.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MONTOYA). Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. Amendment No. 1152 of the Senator from Iowa (Mr. CLARK).

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote on the

pending amendment occur at the hour of 3:30 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I thank the Chair and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 3 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 3 p.m. today.

There being no objection, at 2:35 p.m. the Senate took a recess until 3 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BARTLETT).

TRIBUTE TO THE STAFF OF THE JOINT COMMITTEE ON INTERNAL REVENUE TAXATION

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that an insertion in the RECORD be permitted by the distinguished senior Senator from Louisiana (Mr. LONG).

The PRESIDING OFFICER (Mr. BARTLETT). Without objection, it is so ordered.

The statement by Senator LONG and the Washington Post article of April 4, 1974, by Spencer Rich is as follows:

STATEMENT BY SENATOR R. LONG

In connection with the entry into the Congressional Record of Spencer Rich's April 4, 1974, *Washington Post* article on the Joint Committee on Internal Revenue Taxation, I would like to add a few brief comments.

It is our privilege, as Senators, to work with many outstanding committees and their respective staff members. Of all those with whom I have had contact as a U.S. Senator, the professional staff of the Joint Committee on Internal Revenue Taxation must rank as one of the most visible in terms of professional expertise, impartiality and discretion on sensitive matters. In this regard, I would, therefore, like to add my commendations to the Committee for the outstanding job it has done in its recent and extensive examination of the President's tax returns.

This is an example of our Congressional Committee system and general government operations at their very finest. It certainly is my privilege and pleasure to be chairman of such a dedicated and outstanding committee.

[From the Washington Post, Apr. 4, 1974]

JOINT TAX STAFF REGARDED AS BEST ON HILL

(By Spencer Rich)

When members of Congress get legislative advice from Larry Woodworth, the 56-year-old soft-spoken son of an Ohio Baptist preacher, they listen with special care and respect.

For Woodworth—who heads the staff of the Joint Committee on Internal Revenue Taxation which has just issued a devastating report on President Nixon's taxes—has a universal reputation as one of the best, perhaps the very best, staff man on Capitol Hill.

And the 40-member staff over which Woodworth has ridden herd for the past 10 years is known as the ablest, most discreet, most savvy and most professional group of committee aides in Congress.

Few people on Capitol Hill and virtually no one off the hill—except the Treasury Department and the private tax lawyers and lobbyists—know much about the joint committee. Yet it is one of the most powerful in Congress, with tremendous influence over legislation affecting the lives of millions.

The joint committee, created under the Revenue Act of 1926, consists of members of the tax-writing committees—House Ways and Means and Senate Finance. The chairmanship alternates and the chairman this year is Sen. Russell B. Long (D-La.), with Rep. Wilbur Mills (D-Ark.) as vice chairman. For years the Senate chairman was Harry Flood Byrd Sr. (D-Va.), an arch-conservative in fiscal matters.

The joint committee provides the major staff for both chambers of Congress on tax matters, and right now—in addition to Woodworth, who holds a doctorate in public administration and isn't an economist or a tax lawyer—it has 25 professional staff members.

Including secretarial and clerical positions, the total staff is about 40. The professional staff members include two legislative counsels, six legislative attorneys, six economists and a number of economic and tax-statistic analysts. Several of the members have accounting training as well. The staff has been built up as a civil service-type staff—nonpolitical and nonpartisan.

When a tax bill is before either Ways and Means or Finance or on the floor of either chamber, it is the business of the joint committee staff to draft the legislation, to write the reports and to be at the side of committee members to advise and assist. Four or five staffers are almost always seen on the House and Senate floors whenever a tax bill is being considered.

Woodworth gets $40,000 a year, the highest possible staff salary in Congress. With the committee since 1944, he is a master at trying to tailor and stitch the proposals of members into a coherent whole. He is the model civil servant—able, discreet, honest and hardworking, according to members and associates. He could probably triple his salary in private industry but he won't jump.

Second in command on the committee staff is Lincoln Arnold, 64, a one-time municipal judge in Thief River Falls, Minn., who was an Internal Revenue Service attorney, senior legislative counsel for the House, and worked in private practice for 15 years with Alvord and Alvord.

Another staff aide with a major role on the Nixon tax report is Bernard (Bobby) Shapiro, a soft-spoken lawyer in his early 30s with a trace of a drawl (he's from Richmond) and training in accountancy as well as law. Shapiro sometimes serves as a surrogate on the floor when Woodworth can't be there.

Assistant staff chief Herbert L. Chabot, 42, who comes from New York and got his law degree from Columbia, provided staff work on pension reform bills when they were considered by the Finance and Ways and Means committees.

From the start, a staff team worked extensively and virtually full time on the president's tax matters. It consisted of Woodworth, Arnold, Shapiro, attorney Mark McConaghy, attorney Paul Oosterhuis, accountant Allan Rosenbaum and economist James Wetzler. From time to time, other staffers pitched in, and at the end most of the staff was working to get the final report in shape.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CLARK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mr. CLARK. Mr. President, earlier in the debate, I discussed at some length the reasons that the Senate should adopt my amendment (No. 1152) to repeal amendment No. 1102 passed by voice vote last Wednesday. That amendment exempted the House and the Senate campaign committees of the major parties from the contribution and expenditure limitations of the campaign financing bill now before the Senate. In my judgment, that is the first loophole we have written into a very excellent bill.

The committee bill as reported does provide a major role for both the State and national political parties by allowing each to contribute an additional 2 cents a voter to a campaign—over and above the candidate's expenditure limitation. The amendment approved last Wednesday deals not with the role of political parties, which have millions of supporters and thousands of small contributors, but with the role of in-house campaign committees of the House and the Senate.

This is the essential point: all other committees are limited to $6,000 in terms of what they can contribute to an individual candidate. This amendment lifts that restriction leaving $25,000 as the only effective limitation on what an individual can give to a committee. It leaves a loophole allowing committees unlimited contributions to the congressional campaign committees, and in turn, allows them an unlimited amount of money to give to individual candidates.

There is another serious problem with the amendment passed last Wednesday, section 614(c), on page 71 of the Rules Committee bill. The amendment exempted the senatorial and congressional campaign committees from the $1,000 independent expenditure limitation. It is true that the State and national parties are also exempt from this limitation, but they are subject to a 2-cent-a-voter ceiling on any contributions to or expenditures for a particular candidate.

The senatorial and congressional campaign committees, however, are not subject to any restrictions. I am sure this is not the intent of the amendment, but its effect is certain.

Mr. BROCK. Mr. President, I should like to take a few minutes to explain the

purpose of the amendment as it was offered and as it was intended.

Upon reading the Rules Committee bill, we felt that perhaps by inadvertence there were no safeguards to maintain the viability of the various congressional committees of the two parties. The bill as it was written would have effectively eliminated the operation of the House and the Senate campaign committees of the two parties, respectively; and that, I think, is one of the things that I find dangerous in the proposed legislation.

The bill, to my way of thinking, goes too far already toward damaging the two-party process. I believe it places that process very much in jeopardy. If we are going to have an effective political system, we have to have some mechanism by which the parties not only maintain themselves but also have some opportunity for internal discipline.

The amendment was not drawn with the view of escaping the safeguards of the campaign contribution ceilings. I said on the Senate floor during the debate on the amendment that we would still be limited, as I understood it, to a $3,000 gift from an individual or a committee. Perhaps my impression is wrong. If it is, I would be delighted either to modify the amendment or to accept other language that would so correct it.

I am not sure that that is the case. However, I would be willing to make sure it is, not only by legislative history but also by specific language. But the Senator's amendment does a great deal more than that. In effect, it strikes all the language of the amendment; and, in effect, he would put us back into the position originally reported by the Committee on Rules and Administration. I do not find that acceptable. I hope the Senate does not support the amendment as presently worded.

The Senator from Nevada, the Senator from Texas, and a number of other Senators and I have discussed the thrust of my amendment at length. There is no disagreement as to intent. If clarification is necessary in terms of legislative history, that is one thing, but to simply strike and, in effect, go back to the original position of eliminating these two committees, which do perform a valuable function in terms of supporting and serving our candidates, would be self-defeating and highly dangerous.

I cannot support the amendment, although I do understand the concern of the Senator in raising the particular point. I think he goes too far and I hope the Senate does not accept this particular amendment.

Mr. CANNON. Mr. President, as has been pointed out, the Senate did adopt the Brock amendment last week. I do not share the concern of the Senator from Iowa with respect to the one provision that he contends opens wide the door.

I think the possible opening of the door here, if the door is open, relates to the paragraph beginning on line 8, page 74 which, under the bill, prohibits independent expenditures in excess of $1,000. It does appear that perhaps the Brock amendment (No. 1102) exempts the Senate and House from limits on independent expenditures. If it does, and counsel is checking this now, later an amendment could be offered to change that possibility and make it clear that those committees were not exempted from subsection (C)(1) on page 74.

But I think the hazard, if it can be called a hazard, and I do not think it is a hazard, of larger contributions being made to these committees—I think that was what was hoped for by the amendment—was that larger contributions could be made to those authorized committees, and let them make contributions to the candidates which are within the candidates' spending limits, obviously, and that this would help maintain the party structure by permitting the campaign committees and national committees of both parties to make contributions to the respective candidates.

So while I would be inclined to support the amendment if it did not go as far as it does, I think under the circumstances I would be opposed to it here. If we need a perfecting amendment later that could be offered with respect to the limit.

Mr. BROCK. I know the Senator's intention and I think he understands the situation. We are both seeking the same thing in this amendment; and I think the Senator from Iowa has raised a valid point. But the amendment he has offered goes so far as not to permit the committees to do anything. That is unacceptable, but I would urge that language be posed to take care of this concern on his part by offering an amendment. I appreciate the chairman's position in trying at least to keep the two committees in operation.

Mr. CANNON. I think in the colloquy that took place last week it is clear what was intended by the Senator's amendment, and I would hate to see the Senate now take action to simply reverse itself on the action that it took last week.

Mr. BROCK. I agree, and I thank the Senator.

Mr. CANNON. Mr. President, I am prepared to yield back the remainder of my time.

Mr. CLARK. Mr. President, the problem with the discussion on the floor last week was that the Senators present assumed, as did the Senator from Tennessee, that there was a $3,000 limitation on the amount the congressional campaign committee could receive and a $6,000 limit on the amount the congressional campaign committee could contribute to an individual candidate. Clearly, that is not the case. It is unlimited.

If we do not agree to the pending amendment, we will leave the loophole open. This is the first time so far that we have said to a political committee, "You can collect as much money as you want, an unlimited amount, and give us as much as you want—up to $2 million in the case of California—without limitation."

In this one case of senatorial and congressional committees, we are saying that they can collect unlimited amounts of money. The Committee on Rules and Administration was wise when it reported the bill without that loophole.

As it reported the bill, the committee said in effect that these "in-house" committees would be restricted exactly the same way as other political committees.

My amendment would do one thing: It repeals the Brock amendment and takes us back to the bill reported by the Committee on Rules and Administration. The committee's original judgment was correct. To permit unlimited expenditures would be a serious mistake.

The PRESIDING OFFICER. The hour of 3:30 having arrived, the question is on the amendment of the Senator from Iowa (Mr. CLARK). The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from Idaho (Mr. CHURCH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. FULBRIGHT) the Senator from Alaska (Mr. GRAVEL), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Iowa (Mr. HUGHES), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from Wyoming (Mr. MCGEE), the Senator from Ohio (Mr. METZENBAUM), are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. BENNETT), the Senator from Arizona (Mr. FANNIN), the Senator from Hawaii (Mr. FONG), the Senator from Florida (Mr. GURNEY), the Senator from New York (Mr. JAVITS), and the Senator from Idaho (Mr. MCCLURE) are necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT) and the Senator from Ohio (Mr. TAFT), are absent on official business.

I further announce that, if present and voting, the Senator from Ohio (Mr. TAFT), would vote "yea."

The result was announced—yeas 44, nays 35, as follows:

[No. 121 Leg.]

YEAS—44

Abourezk	Haskell	Moss
Allen	Hathaway	Nelson
Beall	Helms	Nunn
Biden	Huddleston	Packwood
Brooke	Humphrey	Pastore
Burdick	Inouye	Pell
Byrd, Harry F., Jr.	Jackson	Proxmire
	Johnston	Randolph
Byrd, Robert C.	Magnuson	Ribicoff
Chiles	Mansfield	Roth
Clark	Mathias	Schweiker
Cranston	McGovern	Stevenson
Domenici	McIntyre	Symington
Eagleton	Mondale	Tunney
Hart	Montoya	Weicker

NAYS—35

Aiken	Dominick	Percy
Baker	Ervin	Scott, Hugh
Bartlett	Goldwater	Sparkman
Bible	Griffin	Stafford
Brock	Hansen	Stennis
Buckley	Hartke	Stevens
Cannon	Hatfield	Talmadge
Case	Hruska	Thurmond
Cook	McClellan	Tower
Cotton	Metcalf	Williams
Curtis	Muskie	Young
Dole	Pearson	

NOT VOTING—21

Bayh	Fulbright	McClure
Bellmon	Gravel	McGee
Bennett	Gurney	Metzenbaum
Bentsen	Hollings	Scott,
Church	Hughes	William L.
Eastland	Javits	Taft
Fannin	Kennedy	
Fong	Long	

So Mr. CLARK's amendment (No. 1152) was agreed to.

Mr. CLARK. Mr. President, I move that the Senate reconsider the vote by which the amendment was agreed to.

Mr. JOHNSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1156

Mr. HUMPHREY. Mr. President, for myself and the distinguished Senator from Arizona (Mr. GOLDWATER) I call up amendment No. 1156, which is at the desk, and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the reading of the amendment be discontinued and that the amendment be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment ordered to be printed in the RECORD is as follows:

On page 86, between lines 2 and 3, insert the following new section:

SEC. 520. Section 6103(a) of title 5, United States Code is amended by inserting between—

"Veterans Day, the fourth Monday in October." and

"Thankgiving Day, the fourth Thursday in November." the following new item:

"Election Day, the first Wednesday next after the first Monday in November in 1976, and every second year thereafter.".

Mr. HUMPHREY. This is an amendment that has been agreed to by the Senate in each of the last 2 years. Unfortunately, for reasons extraneous to the substance of this legislation, it has yet to be enacted. The amendment would make Federal election day the first Wednesday after the first Monday in November, and create a legal holiday on that day.

I will not repeat all of the arguments for this amendment. I am sure that all Senators are familiar with them. The logic of the amendment is just as compelling today as it has been in the past, when this body voted overwhelmingly in its favor.

Mr. President, making election day a national holiday would move us still closer to the ideal of popular democracy that all of us cherish. It would help to bring the mass of the people even more into the mainstream of our national political system.

I would remind Senators of the inadequate level of participation in the 1972 elections. According to a survey by the U.S. Census Bureau, 51.2 million eligible Americans did not vote in the general elections in November 1972. That number represented a full 37 percent of the voting-age population in this country at that time. Many of these people have been denied this basic right of citizenship because of hard-to-find registration offices and a full day's work.

The amendment before us would eliminate one of the major obstacles to fuller voter participation in elections. It would assure that millions of American working families are not deterred from exercising their franchise in Presidential and congressional elections.

Several other nations find that workers participate freely, openly, and in larger numbers when there is an election holiday. In Denmark, Italy, France, Germany, and Austria, where election day is a holiday, voter turnout of 85 and 95 percent is normal. I believe it would substantially increase participation in our elections as well.

Workers who commute long distances to work often leave home before polls open and return after they have closed. People working irregular shifts in a shop or factory are also discouraged from voting. In some areas, rush hours at the polls mean a long wait in line causing many who must get to work, and many others who are tired from a full day's labor, to give up their franchise in despair.

Mr. President, it is time we put an end to this obstacle to democracy.

In the 19th century we eliminated property ownership requirements for voting in this country. As we enter the last quarter of the 20th century, it is time for us to act to prevent a job from keeping the 80 million Americans who work in factories, on farms, and in the businesses of this Nation from the voting booths.

Mr. President, I believe this amendment, which provides a legal election holiday every 2 years begining in 1976, would increase voter participation for the most important office in the land: the Presidency of the United States. It would be an open day, so that every citizen will have all the time in that day available to consider the candidates and to exercise his franchise. And the same time, of course, would apply to the offices of U.S. Senator and Member of the House of Representatives.

Mr. President, I yield to the distinguished Senator from Arizona.

Mr. GOLDWATER. Mr. President, I am happy to join the distinguished Senator from Minnesota (Mr. HUMPHREY) in offering the amendment. I think it is a sad commentary on the electorate of this country when we find that in Presidential elections we have been electing Presidents by a very bare majority. While the last several Presidential elections have been won by large pluralities, we discover that the total vote has not been much in excess of 50 percent of the voting population. Then when we look at other countries that have patterned themselves upon pretty much the same concept of government and see that their turnout is 90 or 95 percent, it makes those of us who stand for election wonder what has happened in America.

The concept of making election day a national holiday is not new. Such a proposal has been passed twice by the Senate. I believe the United States is one of the few countries that does not recognize the importance of election day by making it a national holiday.

I have thought about this proposal at great length. I think it would be desirable. In fact, anything we can do to get more Americans to be interested in our political system would be desirable. I am aware that what we have been going through during the past year is not the most pleasant thing in the world and makes many Americans wonder what is wrong with the system. But I have always told people that bad politicians are elected by good people who cannot vote.

If we can make election day a holiday, and then ask the assistance of both parties in really trying to get out the vote, perhaps we will see an informed electorate by creating in this country a turnout of voters which will be in excess of 75 percent.

I think this would be very healthy for America. It would be very good for everything that now ails the body politic in America. I am very happy that the Senator from Minnesota has offered this amendment. He and I happen to be members of a very exclusive club. We have gone through this, and we have some understanding of what it is to address millions of Americans, only to find that on election day only a relative handful will turn out.

I suggest that while it could be a problem of the candidate in my case, it certainly would not be in his case; so we sort of stand each other off there.

I hope very much that the manager of the bill will accept this amendment. I have not spoken to him about it, but this body has twice, as the Senator stated, passed this approach. I do not care to ask for a rollcall vote, and I am sure my colleague does not.

Mr. NELSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. NELSON. Mr. President, I agree with what the distinguished Senator from Arizona has said. I think this is a very important proposal, and I think we ought to have the yeas and nays to assure that when the bill goes over there, the other side will know how we feel about it.

So, Mr. President, I ask for the yeas and nays.

Mr. COOK. Mr. President, before the Senator does that, may I say I have no objection to it. This was in the bill that we passed last year, largely because of the actions of the Senator from Minnesota, and at that time he and I had quite a colloquy about it, and if I am not mistaken we had a rollcall vote on that occasion.

Mr. HUMPHREY. We did.

Mr. COOK. I have no objection to having it again, but I did want to get into the RECORD that we had quite an extensive debate on the floor on that bill last year. That is in the RECORD over on the House side, and this will be the second time. I merely wanted the Senator from Wisconsin to know that.

Mr. NELSON. Mr. President, having listened to the impressive argument of the Senator from Kentucky, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HUMPHREY. Mr. President, I have no further comment. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. CANNON. Mr. President, the yeas and nays were ordered; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. CANNON. Mr. President, as the Senator stated, the Senate has voted on this issue before. We are prepared to accept it.

I am not convinced, in my own mind, that one can force people to vote by simply making election day a holiday. I think the indications of our experience have been that whenever a holiday comes along—even though, as provided in this bill, it may be in the middle of the week, which may eliminate the situation of a long weekend holiday—it probably will result in a fishing day.

I yield back the remainder of my time.

Mr. HUMPHREY. Mr. President, I yield back my time.

The PRESIDING OFFICER (Mr. BARTLETT). All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Minnesota (Mr. HUMPHREY) and the Senator from Arizona (Mr. GOLDWATER). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from Idaho (Mr. CHURCH), the Senator from Mississippi (Mr. EASTLAND), the Senator from North Carolina (Mr. ERVIN), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Iowa (Mr. HUGHES), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from Wyoming (Mr. MCGEE), and the Senator from Ohio (Mr. METZENBAUM) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. BENNETT), the Senator from Arizona (Mr. FANNIN), the Senator from Hawaii (Mr. FONG), the Senator from Florida (Mr. GURNEY), the Senator from New York (Mr. JAVITS), the Senator from Idaho (Mr. MCCLURE), and the Senator from New York (Mr. BUCKLEY) are necessarily absent.

I also announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Virginia (Mr. WILLIAM L. SCOTT), and the Senator from Ohio (Mr. TAFT) are absent on official business.

The result was announced—yeas 55, nays 21, as follows:

[No. 122 Leg.]

YEAS—55

Abourezk	Cannon	Hart
Baker	Case	Haskell
Beall	Chiles	Hathaway
Bible	Clark	Huddleston
Biden	Cook	Humphrey
Brock	Cranston	Inouye
Brooke	Dole	Jackson
Burdick	Eagleton	Johnston
Byrd, Robert C.	Goldwater	Magnuson
Mansfield	Nunn	Stennis
Mathias	Pastore	Stevens
McClellan	Pearson	Stevenson
McGovern	Percy	Symington
McIntyre	Proxmire	Talmadge
Mondale	Randolph	Tunney
Montoya	Ribicoff	Weicker
Moss	Roth	Williams
Muskie	Schweiker	
Nelson	Sparkman	

NAYS—21

Aiken	Dominick	Pell
Allen	Griffin	Scott, Hugh
Bartlett	Hansen	Stafford
Byrd, Harry F., Jr.	Hatfield	Thurmond
Cotton	Helms	Tower
Curtis	Hruska	Young
Domenici	Metcalf	
	Packwood	

NOT VOTING—24

Bayh	Fong	Long
Bellmon	Fulbright	McClure
Bennett	Gravel	McGee
Bentsen	Gurney	Metzenbaum
Buckley	Hartke	Scott, William L.
Church	Hollings	Taft
Eastland	Hughes	
Ervin	Javits	
Fannin	Kennedy	

So the Humphrey-Goldwater amendment was agreed to.

Mr. HUMPHREY. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. COOK. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE FUTURE OF NASA

Mr. MAGNUSON. Mr. President, in September of last year, I introduced for myself, Mr. Moss, and Mr. TUNNEY, S. 2495, a bill to apply the scientific and technological resources of the country to the solution of domestic problems and to create a survey of science and technology resources and applications. Since that time in joint hearings between the Committees on Aeronautical and Space Sciences and Commerce, the objectives of S. 2495 have been almost unanimously endorsed by expert witnesses.

When the bill was introduced, I commented that—

> The progress that has been made in space is indeed tremendous, but the promise it holds for progress here on earth is far more incredible and far more important. It is to that promise of solutions to the challenges of life right here on our own planet in our own country that the Technology Resources Survey and Applications Act is addressed.

My colleague and cosponsor of S. 2495, Senator Moss of Utah, delivered a very outstanding and prophetic speech in the State of Washington before the Boeing Co. Management Association on March 22 entitled "The Future of NASA." Senator Moss expressed great optimism for the future prospects of NASA and the aerospace industry. His optimism lay in the increased role for NASA and the aerospace industry in utilizing its technological capability to solve pressing domestic problems.

Senator Moss clearly showed the importance of S. 2495 in leading us to the outstanding benefits which NASA holds for the American people. The significance of Senator Moss' March 22 speech is such that I ask unanimous consent to have it printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

THE FUTURE OF NASA

(By Senator FRANK E. MOSS)

I greatly appreciate this chance to meet with members and friends of the Boeing Management Association.

The name Boeing is always associated with the State of Washington. Over a period of years, however, I have come to associate Boeing as well with Utah and the fine people you employ there headed by the competent, hard-working and public-spirited, Mr. Jim Cummings.

Boeing assembles and checks out the Minuteman at Hill Air Force Base. For years this efficient operation has furnished the backbone ICBM deterrent force for our Nation.

And I believe that Boeing is happy with the caliber of people which it employs in Utah. I know that the Governor and all of our State and Local officials and our citizens generally appreciate Boeing. Utah welcomes your contribution to her thriving and impressive aerospace and electronic industry complex!

Boeing people everywhere should be proud of the key role they have played in achieving and maintaining American technological leadership. I have often quoted a statement that Wernher von Braun made in testimony before my Aeronautics and Space Sciences Committee last fall. He said, "World leadership and technological leadership are inseparable. A third-rate technological nation is a third-rate power politically, economically and socially. Whether we like it or not ours is a technological civilization. If we lose our national resolve to keep our position on the pinnacle of technology, the historical role of the United States can only go downhill." It is in this context that I want to discuss with you tonight the future of NASA as I see it.

Predicting the future with any degree of certainty is never easy. Trying to make predictions in the wake of the amazing and unpredicted events of the last few months may be particularly foolhardy, but I'll take a stab at it.

The other day I saw a bumper sticker that was new to me. It said, "Chicken Little Was Right!"

I am sure that many have felt the sky was falling. I'd be hard-pressed to convince you that a fairly good-sized chunk of it didn't land right here in Seattle about four years ago. But in looking ahead with you tonight, I'm going to use some admittedly rose-colored glasses, and say that the future of NASA and its aerospace partners looks brighter than it has for some time.

First let me cite some of the uncertainties.

Right now the most apparent threats to the future of NASA seem to be: (1) pending legislation to change the role of NASA; (2) the attitudes of the American people toward technology; and (3) the crisis orientation of Federal R & D funding. I'll discuss each of these interrelated factors briefly.

The first and most obvious factor affecting the future of NASA is the fact that there are currently before Congress nearly 100 bills which would modify the charter of NASA in one way or another. The American people have tended to focus more and more on the domestic social troubles besetting this nation. They are growing more insistent that Federal money help resolve these troubles. Their insistence is reflected in much of the proposed legislation. But, although there may be some minor mid-course corrections, I predict there will be no major redirections of NASA in the foreseeable future.

The future of NASA is, however, closely tied to the future attitudes of the American public. As a result, I firmly believe that the success of the technological community in selling the importance of maintaining an adequate level of advanced technology in this country is a second factor which will pro-

foundly affect the size and content of NASA programs. There are encouraging signs in this regard.

The energy crisis has forced the man on the street—or perhaps the man in the gasoline line—to think more seriously about the promise technology holds for solving problems. On a different front, interest is growing among the professional societies in stepping into an unfamiliar role in selling technology.

At a conference on "Scientists in the Public Interest" last September in Utah, I suggested that the societies take part of the responsibility for convincing the public that this country must have a permanently strong, advanced technology. The word "convincing" was chosen advisedly because this was a suggestion for a strong direct appeal to the public. Success will not come easily, because it will be necessary to convince the people that their money, rather than merely their best wishes, should go toward technology.

Believe me, that takes pragmatic, aggressive logic and lots of it. It will require the preparation in layman's terms of carefully considered explanations of the relationship of technology to national problems. The professional societies are well-equipped to do this job.

Such an effort would serve engineers and scientists as individuals, as professionals and as citizens interested in the well-being of their country. An activity of this type would be a relatively unfamiliar role to the societies and would change their pattern of communication from among themselves only, to a pattern which included a broader segment of the public. This area of communication is a lot tougher and far less sympathetic, but it provides an opportunity—perhaps the best opportunity—to reverse permanently the recent spending trends for R & D.

I can report that there is considerable interest on the part of the professional societies in assuming this selling role.

Another major factor affecting the future of NASA is a growing recognition in both the executive and legislative branches of government of the need for more orderly utilization of Federal Research and Development funds.

The ups and downs, the stops and starts, that have plagued Federal research and development efforts ever since we embarked on Federal support for R & D have created a continuing state of chaos and uncertainty. Facilities are built and closed, scientists and engineers are trained, employed and laid off, all with little apparent foresight.

I needn't remind any of you that a few short years ago we were simultaneously rushing headlong toward an energy crisis and laying off engineers and scientists by the thousands.

It is time for us to bring these two shortcomings—poor planning and poor use of resources—into focus *together*, to examine them, and to do something about them.

Your own Senator Magnuson, my good friend and strong mentor in the Senate, has been active in this regard. In September of last year Senator Magnuson introduced S. 2495. Senator Tunney of California and I are cosponsors. Hearings are currently being held by the Senate Commerce Committee and the Aeronautical and Space Sciences Committee. Senator Magnuson is Chairman of Commerce. I am Chairman of Space. But also I'm a member of Commerce and Maggie is a member of Space! How's that for working in tandem?

The bill seeks to establish within the Executive Branch of the Government an improved mechanism, an improved climate, and improved funding for dealing with critical domestic problems which may be susceptible to scientific and technological solutions in whole or in part. And we want to bring into that process careful consideration of the projected availability of scientific and technological resources to apply to those problems before they become of crisis proportion.

S. 2495 would accomplish this by establishing a National Science and Technology Council and by expanding the charter of NASA.

No one here or abroad has developed a greater capacity than has NASA, and its partners in industry and universities, for defining technical problems, devising solutions, and demonstrating those solutions.

But we have a curious penchant for ignoring this proven resource. This is not to say that NASA should be thrown into the fray every time a problem emerges. There are many problems ahead that NASA is ill-equipped to solve. But where we need a systematic approach to a complex problem with high technological content, why should we studiously avoid using our strongest source of assistance.

Let me emphasize one point. We are not in any way suggesting that NASA lacks a mission in aeronautics and space. Support for this mission should not be diminished—it should be enlarged. What we are suggesting in S. 2495 is that NASA and its partners should also be authorized to tackle other missons upon assignment by the President and approval by the Congress.

Let us turn now more specifically to NASA's future. As I said earlier, I do not believe the basic charter of NASA will or should be charged. Changes in emphasis are needed and are most certainly going to occur. During its first 15 years NASA looked outward from the earth and its goal was to understand what it saw. Now this emphasis is changing. Although exploration remains a major goal, we are increasingly looking back toward the earth and using NASA's skills to understand and improve what we see. Increasingly, NASA will be called upon to help improve the quality of human life.

Just last week a witness before my Committee likened the first Earth Resources Satellite—ERTS—to the invention of the microscope. The microscope, of course, enabled us to see things which had been too small to view and comprehend. Its use generated whole new fields of science. It is the classic example of the close interplay of science and technology.

With ERTS, we can now see and begin to comprehend things that heretofore were too big for us. We may well be as unable to predict today what ERTS will mean, as Janssen was with his microscope in 1590.

Dr. Fletcher, the Administrator of NASA, recently provided a thoughtful prediction of the future of his agency. He subdivided his prediction into six major areas which give an excellent overview of NASA's future. What I would like to share with you is a combination of Dr. Fletcher's and my views, in these six areas.

First, we will continue to explore throughout the Solar System with automated spacecraft (that is, unmanned spacecraft); and one of the main aims of this exploration will be to find evidence of extraterrestrial life, or at least a better understanding of how life arose on earth.

Two questions frequently asked in this regard are (1) when we will send men back to the moon; and (2) when we will send men to Mars.

Whether we will want to send men back to the moon on short Apollo-type missions requires further study. It is probably better to wait until we are ready to begin establishment of manned scientific bases for long term use much as we have done in our present bases in Antarctica.

Such bases on the moon do not appear likely, even later in this century, unless they are built as international projects with the cooperation of the Soviet Union, the United States and perhaps Europe. Such a base or bases would be too extensive for one country to finance alone.

Manned exploration of Mars will probably wait until after we have had experience with large Space Stations in earth orbit and with long stays in scientific bases on the moon. Not that these steps are required—rather they are logical next steps in an orderly program.

Like scientific bases on the moon, manned expeditions to Mars will likely be organized on an international basis. Even though such an undertaking is technically feasible now and might receive international support, with all the other financial problems currently facing the developed countries, it is unlikely that any one of them will foot the bill by itself—at least not in the next two decades.

Second, we will intensify our use of spacecraft in earth orbit. Some of these spacecraft will look back at earth and some will study the sun or look far out into the universe. Some will seek scientific information, some will produce practical benefits.

Skylab has convinced us that we will need Large Space Stations for long missions employing larger and more sophisticated instruments.

But NASA simply will not have the funds in this decade to develop both the Space Shuttle and a Large Space Station. Faced with that choice, the Shuttle takes priority.

It is possible that the Soviet Union will develop a space station, and they may have it in orbit by the end of this decade. How it will compare in size, versatility and productivity with the manned Spacelab module the Europeans are developing for us with the Space Shuttle remains to be seen.

Third, during the remainder of this decade much effort will be concentrated on developing the Space Shuttle transportation system, which, as you know, is a better and cheaper way of getting manned and automated payloads to earth orbit and back. We will also be working closely with a group of nine European countries which is developing a manned Spacelab module to be carried to orbit and back in the Space Shuttle.

I anticipate that development of a second generation shuttle may not only aim at cost reduction but also simplification of take off and landing operations. It is very possible that the shuttle system could be simplified to the extent which it could become an important export product with the ability to take off and land in a manner similar to commercial aircraft.

Fourth, in addition to developing the Space Shuttle in this decade, we are planning and developing the improved payloads for the shuttle to launch and service in the 1980's and 1990's. These payloads will include large automated observatories and a wide range of experiments and practical tasks to be performed in the manned Spacelab module.

I predict that when space shuttle becomes a reality its uses will mushroom. Increasingly, shuttle payloads will include sophisticated systems to greatly improve our utilization of earth resources. Space manufacturing will become an important element in shuttle payloads. It is very possible that energy related payloads such as solar power systems, could become primary shuttle payloads.

Fifth, we will continue a strong program in aeronautical research to help meet civil and military aviation needs. This might well receive increased emphasis. Expansion could take place in areas of engine efficiency and new fuels, such as hydrogen. Increasing aircraft safety and reducing noise and pollution will continue to be areas of major interest.

And sixth, we will see developed a number of programs to demonstrate how new technology developed in the space program can be used to meet national needs outside the aerospace field. For example, we already know a great deal about how solar energy can be harnessed or how hydrogen can be used as a fuel.

These programs are vital to the well being

of the space program because it is here that the American people can see some of the "pay-off" for their tax dollar. There is considerable pressure to enhance this area of NASA activity.

I would like to conclude with a few observations:

First, the NASA charter originally set forth in 1958 is still viable and will be for years to come. We are just beginning to understand what tremendous benefits that charter has given this Nation. The real benefits to our people have been not just space exploration but solid achievements in the betterment of life on earth. Achievements traceable to the space program include communications, earth resources management, oceanography, weather prediction, international trade and much, much more.

The NASA role in pressing forward the frontiers of aeronautical and space science must continue. Basic research is the key to this country's future and must not be allowed to falter.

Photographs taken by astronauts and their description from space have provided glimpses of the earth for people throughout the world which have profoundly affected the feelings and thinking of mankind about the planet on which we are so fortunate as to have been born. This perhaps was the single most important result of the Apollo program, despite the many other benefits that our country and our industries are receiving in ever-increasing abundance from the research and development that made the lunar landings possible.

The better appreciation of our neighboring planets and their moons in orbit about our Sun has provided us a greater appreciation for the marvelous universe in which we live. It is almost overwhelming to be told by scientists that our Sun is an average star among 100 billion in the Milky Way galaxy, and that for each person alive today on this earth, there are a hundred galaxies in view of our telescopes! Surely our opportunities for learning and growth are limitless.

The youth of this state and of the nation must have a challenge for the future and a dream toward which they may turn their minds and their thoughts. I view the aeronautics and space program as a very important and highly relevant industry to coalesce the dreams of youth and to benefit mankind.

As we look at views from space of our beautiful planet, we can be both humble and proud—humbled by the relative place of man in the great universe, and proud of the island home we have been provided. Surely we are all challenged by the important responsibility resting on our shoulders for proper accounting to this and future generations for its safekeeping.

The greatest challenge to the future of NASA, and indeed to the future of all Federally-financed research and development in this country is the attitude of the American people. I believe that if they understand fully what benefits will be received from a strong Federally-financed research and development program, the future of NASA is bright indeed.

DISASTER RELIEF

Mr. COOK. Mr. President, it is important to note that tomorrow the Public Works Committee will begin working toward marking up S. 3062, which is a bill entitled "The Disaster Relief Amendments of 1974." It is because of that particular matter and because it is coming up tomorrow that I should like to put into the RECORD a report that we received late this afternoon from the committee's disaster coordinator for the American Red Cross.

These figures include the Commonwealth of Kentucky and five counties in southern Indiana relative to the series of tornadoes which struck that area Wednesday evening last.

So far, in the area I have described, we have officially designated 88 dead; 916 injuries; 472 hospitalized individuals; 1,375 homes have been totally destroyed; 1,426 homes have sustained major damage, which is damage of 50 percent or more; 2,037 have sustained minor damage, and that is a figure of less than 50 percent; 524 mobile homes have been totally destroyed; 230 mobile homes have received major damage; 1,312 farm buildings have been totally destroyed; 807 farm buildings have received major damage; 170 boats, small craft, mostly on the Green River Reservoir, have been totally destroyed; 212 small businesses have either been totally destroyed or have received major damage, and the Red Cross says that at this stage of the situation, that figure could be seriously low.

In that area of Kentucky and the five counties in Indiana 6,020 families have been affected in a major way.

Through the efforts of the chairman of the Committee on Public Works and through the efforts of Senator BURDICK, Senator DOMENICI, and Senator BAKER—they were in the respective areas this weekend to help in the decisions that will be made tomorrow—the committee graciously held a meeting at 2:30 today, at which point all the Senators from the areas affected were asked to appear and to put the substance of their talks and ideas in the hands of the committee for the purpose of aiding in the markup tomorrow.

All of us in the counties affected are tremendously grateful to the Senators I have named and to the chairman, the Senator from West Virginia (Mr. RANDOLPH), for authorizing the subcommittee to take this trip over the weekend so that a survey of this area could be made.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. COOK. I yield.

Mr. RANDOLPH. Mr. President, I commend the Senator from Kentucky (Mr. COOK), and in so doing I express appreciation to him and other Senators who met with us earlier today and are counseling with our committee and subcommittee and the staff on amendments to the Disaster Relief Act. The input they give will aid us tomorrow, when the committee meets in an attempt to deal fairly and in a well-reasoned manner, but quickly, with this problem. The tornadoes last week brought disaster to many States, including the State of Kentucky, as mentioned by the Senator, who gave us many contributions which will help us write what we believe to be constructive language.

Our work also will be aided by the findings of Senators BURDICK, DOMENICI, and BAKER who visited the damaged areas of four States last Friday and Saturday. These Senators revised their schedules so that they could view the damage firsthand as we prepared to consider this important legislation.

I hope that the measure can be brought to the Senate in the middle of this week. The able Senator from Tennessee, the ranking minority member of our committee, who participated in the counseling session and who worked with the subcommittee members on the weekend, is present. I know that he will discuss this situation before the colloquy ends.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. COOK. I yield.

Mr. BAKER. I will not take long, except to commend the distinguished chairman of the committee for his remarks and his perception of the problem involved, and to say, in reiteration of what he has already said, that the Subcommittee on Disaster Relief of the Committee on Public Works, ably chaired by Senator BURDICK, the ranking member of which is Senator DOMENICI, visited Tennessee, Kentucky, Ohio, and Indiana over the past weekend.

Those of us on the committee pay our special thanks to the joint leadership for arranging for no votes in the Senate on Friday, so that all could undertake this important business without missing important rollcall votes.

I believe that the on-sight inspection by the subcommittee over the weekend and the additional remarks by the distinguished senior Senator from Kentucky and others will be very useful in seeing that we alleviate the suffering and the financial loss that have befallen the residents of this area.

I join in urging that we take speedy action on these proposals. I commend the administration for having at this moment the Secretary of Housing and Urban Development in meetings with the Committee on Public Works, to try to coordinate the efforts of the Committee on Public Works with those of the administration. I predict that there will be a broad base of support for a measure by both the administration and Congress and that we can proceed to an early disposition of this problem.

I thank the Senator for yielding.

Mr. COOK. I thank the Senator from Tennessee and the Senator from West Virginia.

I say to my colleagues, Mr. President, that I hope that after the debates we had last year, after the problems of Camille and Agnes, and now these problems in major areas that are not involved in any flood plains—frankly, it looks as though all the military might and the power of a major nation had gone through some of the neighborhoods, certainly in my State—we will realize our responsibility, as representatives of the people, to move with a greater degree of responsibility in the field of direct grants. Frankly, there are people who will never survive from the economic loss that has been occasioned by this disaster.

I believe it is incumbent upon us to look a great deal more compassionately to the concept of direct grants to communities and areas as a result of the devastation that the subcommittee witnessed last week.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mr. COOK. Mr. President, I direct a question to the Senator from Kansas. Is he prepared to proceed with an amendment?

Mr. DOLE. Yes.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. HARTKE. Mr. President, I ask unanimous consent that John Szabo and Guy McMichael III have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I call up my unprinted amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 39, between lines 20 and 21 insert the following new subsection:

"(c) Any published political advertisement of a candidate electing to receive payments under title I of this Act shall contain on the face or front page thereof the following notice:

"'Paid for by Federal tax funds.'"

On page 39, line 21, strike out "(c)" and insert in lieu thereof "(d)".

On page 40, line 3, strike out "(d)" and insert in lieu thereof "(e)".

On page 40, line 11, strike out "(e)" and insert in lieu thereof "(f)".

Mr. GRIFFIN. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. MANSFIELD. May we consider the possibility of a time agreement?

Mr. DOLE. Five minutes?

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a time limitation on the amendment of 10 minutes, to be equally divided between the sponsor of the amendment, the distinguished Senator from Kansas, and the manager of the bill, the Senator from Nevada (Mr. CANNON).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, if the Senator from Kansas will allow me, I should like to call up a bill, with the time not being charged to either side. I ask unanimous consent that the pending business be laid aside temporarily.

The PRESIDING OFFICER. Without objection, it is so ordered.

VETERANS' INSURANCE ACT OF 1974

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 700, S. 1835.

The PRESIDING OFFICER (Mr. (BARTLETT). The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1835) to amend title 38, United States Code, to increase the maximum amount of Servicemen's Group Life Insurance to $20,000, to provide full-time coverage thereunder for certain members of the Reserves and National Guard, to authorize the conversion of such insurance to Veterans' Group Life Insurance, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Veterans' Affairs, with amendments on page 1, line 4, after the word "of", strike out "1973" and insert "1974"; on page 4, line 20, after the word "Reserve", strike out "or" and insert "of"; on page 1, line 14, after the word "the", where it appears the first time, strike out "Armed Forces" and insert "uniformed services"; in line 18, after the word "Servicemen's" strike out "Group." and insert "Group Life Insurance to an individual policy under the provisions of law in effect prior to such effective date."; on page 11, line 2, after "(4)", insert "of subsection (a)"; in line 19, after the word "follows", strike out "all" and insert "All"; in line 23, after the word "revolving", strike out "fund"." and insert "fund."."; on page 13, line 2, after the word "actuarial", strike out "principles."." and insert "principles."""; in line 5, after the word "first", strike out "paragraph" and insert "clause"; after line 15, insert:

(2) Subsection (e) is amended by deleting therefrom the words "this amendatory Act" and inserting in lieu thereof "the Veterans' Insurance Act of 1974".

At the beginning of line 19, strike out "(2)" and insert "(3)"; on page 14, line 8, after the word "new", strike out "section" and insert "sections"; on page 15, line 13, after the word "premiums", strike out "of" and insert "for"; on page 18, line 25, after the word "than", strike out "five" and insert "four"; on page 19, line 1, after the word "eligible", insert "within one year from the effective date of the Veterans' Group Life Insurance program"; on page 20, line 2, after the word "including", strike out "the cost of administration and"; in line 4, after the word "disabilities.", insert "The Administrator may establish, as he may determine to be necessary according to sound actuarial principles, a separate premium, age groupings for premiums purposes, accounting, and reserves, for persons granted insurance under this subsection different from those established for other persons granted insurance under this section"; after line 11, insert:

"§ 778. Reinstatement

"Reinstatement of insurance coverage granted under this subchapter but lapsed for nonpayment of premiums shall be under terms and conditions prescribed by the Administrator.

After line 15, insert:

"§ 779. Incontestability

"Subject to the provision of section 773 of this title, insurance coverage granted under this subchapter shall be incontestable from the date of issue, reinstatement, or conversion except for fraud or nonpayment of premium."

In the matter after line 23, after "777. Veterans' Group Life Insurance,", insert:

"773. Reinstatement.

"779. Incontestability.".

At the top of page 21, insert a new section, as follows:

SEC. 10. Chapter 19 of title 38, United States Code, is amended as follows:

(1) By striking out "Environmental Science Services Administration" wherever it appears in section 765 and inserting in lieu thereof "National Oceanic and Atmospheric Administration".

(2) By striking out "General operating expenses, Veterans' Administration" in clause 3 of subsection (d) of section 769 and inserting in lieu thereof "General Operating Expenses, Veterans' Administration".

(3) By striking out "Bureau of the Budget" in section 774 and inserting in lieu thereof "Office of Management and Budget".

At the beginning of line 14, change the section number from "10" to "11"; and, on page 22, line 1, after the word "amendments"; insert "made by sections 5 (a) (4) and (5) of this Act, and those"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans' Insurance Act of 1974".

SEC. 2. (a) That section 723 of title 38, United States Code, is amended as follows:

(1) The catchline is amended to read as follows:

"Veterans' Special Life Insurance".

(2) Clause (4) of subsection (a) is amended to read as follows: "(4) all premiums and other collections on such insurance and any total disability provisions added thereto shall be credited to a revolving fund in the Treasury of the United States, which, together with interest earned thereon, shall be available for the payment of liabilities under such insurance and any total disability provisions added thereto, including payments of dividends and refunds of unearned premiums".

(3) Clause (5) of subsection (b) is amended to read as follows: "(5) all premiums and other collections on insurance issued under this subsection and any total disability income provisions added thereto shall be credited directly to the revolving fund referred to in subsection (a) of this section, which, together with interest earned thereon, shall be available for the payment of liabilities under such insurance and any total disability provisions added thereto, including payments of dividends and refunds of unearned premiums".

(4) Subsections (d) and (e) are hereby repealed.

(b) The analysis of chapter 19 of title 38, United States Code, is amended by deleting "723. Veterans' special term insurance."
and inserting in lieu thereof the following: "723. Veterans' Special Life Insurance.".

SEC. 3. Clause (5) of section 765 of title 38, United States Code, is amended to read as follows:

"(5) The term 'member' means—

"(A) a person on active duty, active duty for training, or inactive duty training in the uniformed services in a commissioned, warrant, or enlisted rank, or grade, or as a cadet or midshipman of the United States Military Academy, United States Naval Academy,

United States Air Force Academy, or the United States Coast Guard Academy;

"(B) a person who volunteers for assignment to the Ready Reserve of a uniformed service and is assigned to a unit or position in which he may be required to perform active duty, or active duty for training, and each year will be scheduled to perform at least twelve periods of inactive duty training that is creditable for retirement purposes under chapter 67 of title 10;

"(C) a person assigned to, or who upon application would be eligible for assignment to, the Retired Reserve of a uniformed service who has not received the first increment of retirement pay or has not yet reached sixty-one years of age and has completed at least twenty years of satisfactory service creditable for retirement purposes under chapter 67 of title 10; and

"(D) a member, cadet, or midshipman of the Reserve Officers Training Corps while attending field training or practice cruises."

SEC. 4. Section 767 of title 38, United States Code, is amended as follows:

(1) Subsection (a) is amended to read as follows:

"(a) Any policy insurance purchased by the Administrator under section 766 of this title shall automatically insure against death—

"(1) any member of a uniformed service on active duty, active duty for training, or inactive duty for training scheduled in advance by competent authority;

"(2) any member of the Ready Reserve of a uniformed service who meets the qualifications set forth in section 765(5)(B) of this title; and

"(3) any member assigned to, or who upon application would be eligible for assignment to, the Retired Reserve or of a uniformed service who meets the qualifications set forth in section 765(5)(C) of this title;

in the amount of $20,000 unless such member elects in writing (A) not to be insured under this subchapter, or (B) to be insured in the amount of $15,000, $10,000, or $5,000. The insurance shall be effective the first day of active duty or active duty for training, or the beginning of a period of inactive duty training schedule in advance by competent authority, or the first day a member of the Ready Reserve meets the qualifications set forth in section 765(5)(B) of this title, or the first day a member of the Reserves, whether or not assigned to the Retired Reserve of a uniformed service, meets the qualifications of section 765(5)(C) of this title, or the date certified by the Administrator to the Secretary concerned as the date Servicemen's Group Life Insurance under this subchapter for the class or group concerned takes effect, whichever is the later date."

(2) Subsection (b) is amended by deleting "ninety days" wherever it appears therein and inserting in lieu thereof "one hundred and twenty days".

(3) Subsection (c) is amended to read as follows:

"(c) If any member elects not to be insured under this subchapter or to be insured in the amount of $15,000, $10,000, or $5,000, he may thereafter be insured under this subchapter or insured in the amount of $20,000, $15,000, or $10,000 under this subchapter, as the case may be, upon written application, proof of good health, and compliance with such other terms and conditions as may be prescribed by the Administrator. Any former member insured under Veterans' Group Life Insurance who again becomes eligible for Servicemen's Group Life Insurance and declines such coverage solely for the purpose of maintaining his Veterans' Group Life Insuraance in effect shall upon termination of coverage under Veterans' Group Life Insurance be automatically insured under Servicemen's Group Life Insurance, if otherwise eligible therefor."

SEC. 5. (a) Section 768 of title 38, United States Code, is amended as follows:

(1) Subsection (a) is amended by inserting "or while the member meets the qualifications set forth in section 765(5) (B) or (C) of this title," immediately before "and such insurance shall cease".

(2) Clauses (2) and (3) of subsection (a) are each amended by deleting "ninety days" wherever it appears therein and inserting in lieu thereof "one hundred and twenty days".

(3) Subsection (a) is further amended by adding at the end thereof the following:

"(4) with respect to a member of the Ready Reserve of a uniformed service who meets the qualifications set forth in section 765(5) (B) of this title, one hundred and twenty days after separation or release from such assignment—

"(A) unless on the date of such separation or release the member is totally disabled, under criteria established by the Administrator, in which event the insurance shall cease one year after the date of separation or release from such assignment, or on the date the insured ceases to be totally disabled, whichever is the earlier date, but in no event prior to the expiration of one hundred and twenty days after separation or release from such assignment; or

"(B) unless on the date of such separation or release the member has completed at least twenty years of satisfactory service creditable for retirement purposes under chapter 67 of title 10 and would upon application be eligible for assignment to or is assigned to the Retired Reserve, in which event the insurance, unless converted to an individual policy under terms and conditions set forth in section 777(e) of this title, shall, upon timely payment of premiums under terms prescribed by the Administrator directly to the administrative office established under section 766(b) of this title, continue in force until receipt of the first increment of retirement pay by the member or the member's sixty-first birthday, whichever occurs earlier.

"(5) with respect to a member of the Retired Reserve who meets the qualifications of section 765(5)(C) of this title, and who was assigned to the Retired Reserve prior to the date insurance under this amendment is placed in effect for members of the Retired Reserve, at such time as the member receives the first increment of retirement pay, or the member's sixty-first birthday, whichever occurs earlier, subject to the timely payment of the initial and subsequent premiums, under terms prescribed by the Administrator, directly to the administrative office established under section 766(b) of this title."

(4) Subsection (b) is amended to read as follows:

"(b) Each policy purchased under this subchapter shall contain a provision, in terms approved by the Administrator, that, except as hereinafter provided, Servicemen's Group Life Insurance which is continued in force after expiration of the period of duty or travel under section 767(b) or 768(a) of this title, effective the day after the date such insurance would cease, shall be automatically converted to Veterans' Group Life Insurance subject to (1) the timely payment of the initial premium under terms prescribed by the Administrator, and (2) the terms and conditions set forth in section 777 of this title. Such automatic conversion shall be effective only in the case of an otherwise eligible member or former member who is separated or released from a period of active duty or active duty for training or inactive duty training on or after the date on which the Veterans' Group Life Insurance program (provided for under section 777 of this title) becomes effective. Servicemen's Group Life Insurance continued in force under section 768(a) (4)(B) or (5) of this title shall not be converted to Veteran's Group Life Insurance. However, a member whose insurance could be continued in force under section 768(a)(4)(B) of this title, but is not so continued, may, effective the day after his insurance otherwise would cease, convert such insurance to an individual policy under the terms and conditions set forth in section 777(e) of this title."

(5) Section 768(c) is hereby repealed.

(b) The amendments made by this Act shall not be construed to deprive any person discharged or released from the *uniformed services* of the United States prior to the date on which the Veterans' Group Life Insurance program (provided for under section 777 of title 38, United States Code) becomes effective of the right to convert Servicemen's Group Life Insurance to an individual policy under the provisions of law in effect prior to such effective date.

SEC. 6. Section 769 of title 38, United States Code, is amended as follows:

(1) By deleting from paragraphs (1) and (2) of subsection (a) "is insured under a policy of insurance purchased by the Administrator, under section 766 of this title" and inserting in lieu thereof "is insured under Servicemen's Group Life Insurance".

(2) By redesignating paragraphs (2) and (3) of subsection (a) as paragraphs (3) and (4), respectively, and by adding after paragraph (1) a new paragraph (2) as follows:

"(2) During any month in which a member is assigned to the Ready Reserve of a uniformed service under conditions which meet the qualifications of section 765(5)(B) of this title, or is assigned to the Reserve (other than the Retired Reserve) and meets the qualifications of section 765(5)(C) of this title, and is insured under a policy of insurance purchased by the Administrator, under section 766 of this title, there shall be contributed from the appropriation made for active duty pay of the uniformed service concerned an amount determined by the Administrator (which shall be the same for all such members) as the share of the cost attributable to insuring such member under this policy, less any costs traceable to the extra hazards of such duty in the uniformed services. Any amounts so contributed on behalf of any individual shall be collected by the Secretary concerned from such individual (by deduction from pay or otherwise) and shall be credited to the appropriation from which such contribution was made."

(3) By deleting from the second sentence of paragraph (4) of subsection (a) "subsection (1) hereof, or fiscal year amount under subsection (2) hereof" and inserting in lieu thereof "paragraph (1) or (2) hereof, or fiscal year amount under paragraph (3) hereof"; and by deleting in such paragraph (4) "this subchapter" each time it appears and "insurance under this subchapter" and inserting in lieu thereof "Servicemen's Group Life Insurance".

(4) The first sentence of subsection (b) is amended by deleting "such insurance" and inserting in lieu thereof "Servicemen's Group Life Insurance"; and the second sentence of such subsection is amended by deleting "this subchapter" and inserting in lieu thereof "Servicemen's Group Life Insurance".

(5) Subsection (c) is amended by deleting "any such insurance" and inserting in lieu thereof "Servicemen's Group Life Insurance".

(6) The last sentence of subsection (d)(1) is amended to read as follows: "All premium payments and extra hazard costs on Servicemen's Group Life Insurance and the administrative cost to the Veterans' Administration of insurance issued under this subchapter shall be paid from the revolving fund.".

(7) By adding at the end of such section a new subsection as follows:

"(e) The premiums for Servicemen's Group Life Insurance placed in effect or continued in force for a member assigned to the Retired Reserve of a uniformed service who meets the qualifications of section 765(5)(C) of this title, shall be established under the criteria set forth in sections 771 (a) and (c) of this title, except that the Administrator may provide for average premiums for such various age groupings as he may determine to be necessary according to sound actuarial principles, and shall include an amount necessary to cover the administrative cost of such insurance to the company or companies issuing or continuing such insurance. Such premiums shall be payable by the insureds thereunder as provided by the Administrator directly to the administrative office established for such insurance under section 766 (b) of this title. The provisions of sections 771 (d) and (e) of this title shall be applicable to Servicemen's Group Life Insurance continued in force or issued to a member assigned to the Retired Reserve of a uniformed service. However, a separate accounting may be required by the Administrator for insurance issued to or continued in force on the lives of members assigned to the Retired Reserve and for other insurance in force under this subchapter. In such accounting, the Administrator is authorized to allocate claims and other costs among such programs of insurance according to accepted actuarial principles."

SEC. 7. Section 770 of title 38, United States Code, is amended as follows:

(1) The first clause following the colon in subsection (a) is amended to read as follows:

"First, to the beneficiary or beneficiaries as the member or former member may have designated by a writing received prior to death (1) in the uniformed services if insured under Servicemen's Group Life Insurance, or (2) in the administrative office established under section 766(b) of this title if separated or released from service, or if assigned to the Retired Reserve, and insured under Servicemen's Group Life Insurance, or if insured under Veterans' Group Life Insurance;".

(2) Subsection (e) is amended by deleting therefrom the words "this amendatory Act" and inserting in lieu thereof "the Veterans' Insurance Act of 1974".

(3) Subsections (f) and (g) are amended by adding after "Servicemen's Group Life Insurance" wherever it appears therein "or Veterans' Group Life Insurance".

SEC. 8. Section 771 of title 38, United States Code, is amended as follows:

(1) Subsection (b) is amended by deleting "the policy or policies" and inserting in lieu thereof "Servicemen's Group Life Insurance".

(2) The third sentence of subsection (e) is amended by deleting "section 766" and inserting in lieu thereof "section 769(d)(1)".

SEC. 9. (a) Subchapter III of chapter 19 of title 38, United States Code, is amended by adding at the end thereof the following new sections:

"§ 777. Veterans' Group Life Insurance

"(a) Veterans' Group Life Insurance shall be issued in the amount of $5,000, $10,000, $15,000, or $20,000 only. No person may carry a combined amount of Servicemen's Group Life Insurance and Veterans' Group Life Insurance in excess of $20,000 at any one time. Any person insured under Veterans' Group Life Insurance who again becomes insured under Servicemen's Group Life Insurance may within sixty days after becoming so insured convert any or all of his Veterans' Group Life Insurance to an individual policy of insurance under subsection (e) of this section. However, if such a person dies within the sixty-day period and before converting his Veterans' Group Life Insurance, Veterans' Group Life Insurance will be payable only if he is insured for less than $20,000 under Servicemen's Group Life Insurance, and then only in an amount which when added to the amount of Servicemen's Group Life Insurance payable shall not exceed $20,000.

"(b) Veterans' Group Life Insurance shall (1) provide protection against death; (2) be issued on a non-renewable five-year term basis; (3) have no cash, loan, paid-up, or extended values; (4) except as otherwise provided, lapse for nonpayment of premiums; and (5) contain such other terms and conditions as the Administrator determines to be reasonable and practicable which are not specifically provided for in this section, including any provisions of this subchapter not specifically made inapplicable by the provisions of this section.

"(c) The premiums for Veterans' Group Life Insurance shall be established under the criteria set forth in sections 771 (a) and (c) of this title, except that the Administrator may provide for average premiums for such various age groupings as he may decide to be necessary according to sound actuarial principles, and shall include an amount necessary to cover the administrative cost of such insurance to the company or companies issuing such insurance. Such premiums shall be payable by the insureds thereunder as provided by the Administrator directly to the administrative office established for such insurance under section 766(b) of this title. In any case in which a member or former member who was mentally incompetent on the date he first became insured under Veterans' Group Life Insurance dies within one year of such date, such insurance shall be deemed not to have lapsed for nonpayment of premiums and to have been in force on the date of death. Where insurance is in force under the preceding sentence, any unpaid premiums may be deducted from the proceeds of the insurance. Any person who claims eligibility for Veterans' Group Life Insurance based on disability incurred during a period of duty shall be required to submit evidence of qualifying health conditions and, if required, to submit to physical examinations at their own expense.

"(d) Any amount of Veterans' Group Life Insurance in force on any person on the date of his death shall be paid, upon the establishment of a valid claim therefor, pursuant to the provisions of section 770 of this title. However, any designation of beneficiary or beneficiaries for Servicemen's Group Life Insurance filed with a uniformed service until changed, shall be considered a designation of beneficiary or beneficiaries for Veterans' Group Life Insurance, but not for more than sixty days after the effective date of the insured's Veterans' Group Life Insurance, unless at the end of such sixty-day period, the insured is incompetent in which event such designation may continue in force until the disability is removed but not for more than five years after the effective date of the insured's Veterans' Group Life Insurance. Except as indicated above in incompetent cases, after such sixty-day period, any designation of beneficiary or beneficiaries for Veterans' Group Life Insurance to be effective must be by a writing signed by the insured and received by the administrative office established under section 766 (b) of this title.

"(e) An insured under Veterans' Group Life Insurance shall have the right to convert such insurance to an individual policy of life insurance upon written application for conversion made to the participating company he selects and payment of the required premiums. The individual policy will be issued without medical examination on a plan then currently written by such company which does not provide for the payment of any sum less than the face value thereof or for the payment of an additional amount as premiums in the event the insured performs active duty, active duty for training, or inactive duty training. The individual policy will be effective the day after the insured's Veterans' Group Life Insurance terminates by expiration of the five-year term period, except in a case where the insured is eligible to convert at an earlier date by reason of again having become insured under Servicemen's Group Life Insurance, in which event the effective date of the individual policy may not be later than the sixty-first day after he again became so insured. Upon request to the administrative office established under section 766(b) of this title, an insured under Veterans' Group Life Insurance shall be furnished a list of life insurance companies participating in the program established under this subchapter. In addition to the life insurance companies participating in the program established under this subchapter, the list furnished to an insured under this section shall include additional life insurance companies (not so participating) which meet qualifying criteria, terms, and conditions established by the Administrator and agree to sell insurance to former members in accordance with the provisions of this section.

"(f) The provisions of sections 771 (d) and (e) of this title shall be applicable to Veterans' Group Life Insurance. However, a separate accounting shall be required for each program of insurance authorized under this subchapter. In such accounting, the Administrator is authorized to allocate claims and other costs among such programs of insurance according to accepted actuarial principles.

"(g) Any person whose Servicemen's Group Life Insurance was continued in force after termination of duty or discharge from service under the law as in effect prior to the date on which the Veterans' Group Life Insurance program (provided for under section 777 of this title) became effective, and whose coverage under Servicemen's Group Life Insurance terminated less than four years prior to such date, shall be eligible within one year from the effective date of the Veterans' Group Life Insurance program to apply for and be granted Veterans' Group Life Insurance in an amount equal to the amount of his Servicemen's Group Life Insurance which was not converted to an individual policy under prior law. Veterans' Group Life Insurance issued under this subsection shall be issued for a term period equal to five years, less the time elapsing between the termination of the applicant's Servicemen's Group Life Insurance and the effective date on which the Veterans' Group Life Insurance program became effective. Veterans' Group Life Insurance under this subsection shall only be issued upon application to the administrative office established under section 766(b) of this title, payment of the required premium, and proof of good health satisfactory to that office, which proof shall be submitted at the applicant's own expense. Any person who cannot meet the good health requirements for insurance under this subsection solely because of a service-connected disability shall have such disability waived. For each month for which any eligible veteran, whose service-connected disabilities are waived, is insured under this subsection there shall be contributed to the insurer or insurees issuing the policy or policies from the appropriation 'Compensation and Pensions, Veterans' Administration' an amount necessary to cover the cost of the insurance in excess of the premiums established for eligible veterans, including the cost of the excess mortality attributable to such veteran's service-connected disabilities. The Administrator may establish, as he may determine to be necessary according to sound actuarial principles, a separate premium, age groupings for premium purposes, accounting, and reserves for persons granted insurance under this subsection different from those established for other persons granted insurance under this section. Ap-

propriations to carry out the purpose of this section are hereby authorized.

"§ 778. Reinstatement

"Reinstatement of insurance coverage granted under this subchapter but lapsed for nonpayment of premiums shall be under terms and conditions prescribed by the Administrator.

"§ 779. Incontestability

"Subject to the provision of section 773 of this title, insurance coverage granted under this subchapter shall be incontestable from the date of issue, reinstatement, or conversion except for fraud or nonpayment of premium."

(b) The analysis of subchapter III of chapter 19 of title 38, United States Code, is amended by adding at the end thereof the following:

"777. Veterans' Group Life Insurance.
"778. Reinstatement.
"779. Incontestability.".

SEC. 10. Chapter 19 of title 38, United States Code, is amended as follows:

(1) By striking out "Environmental Science Services Administration" wherever it appears in section 765 and inserting in lieu thereof "National Oceanic and Atmospheric Administration".

(2) By striking out "General operating expenses, Veterans' Administration" in clause 3 of subsection (d) of section 769 and inserting in lieu thereof "General Operating Expenses, Veterans' Administration".

(3) By striking out "Bureau of the Budget" in section 774 and inserting in lieu thereof "Office of Management and Budget".

SEC. 11. This Act shall become effective as follows:

(1) The amendments made by section 2, relating to Veterans' Special Life Insurance, shall become effective upon the date of enactment of this Act except that no dividend on such insurance shall be paid prior to January 1, 1974.

(2) The amendments relating to Servicemen's Group Life Insurance coverage on a full-time basis for certain members of the Reserves and National Guard shall become effective upon the date of enactment of this Act.

(3) The amendments increasing the maximum amount of Servicemen's Group Life Insurance shall become effective upon the date of enactment of this Act.

(4) The amendments made by sections 5 (a) (4) and (5) of this Act, and those enacting a Veterans' Group Life Insurance program shall become effective on the first day of the third calendar month following the month in which this Act is enacted.

Mr. HARTKE. Mr. President, as chairman of the Committee on Veterans' Affairs, it is my privilege and pleasure to urge the Senate to approve my bill S. 1835, the Veterans' Insurance Act of 1974. This comprehensive measure which is cosponsored by each member of the Senate Committee on Veterans' Affairs and which was unanimously reported from the committee makes a number of important amendments in insurance programs for active duty servicemen and veterans.

Briefly, the Veterans' Insurance Act of 1974 would make four major amendments to existing law. First, the Veterans' Insurance Act would provide full-time coverage under servicemen's group life insurance—SGLI—for members of the Ready Reserves, National Guard, and certain members of the Retired Reserves who are under 60 years of age and who have completed at least 20 years of satisfactory service. Over 1 million men and women would be eligible for insurance under this provision.

Second, the Veterans' Insurance Act would provide for the automatic conversion of servicemen's group life insurance policy to a nonrenewable 5-year term policy to be known as veterans' group life insurance—VGLI—effective the day after the servicemen's group life insurance expires for the veteran which is usually 120 days after discharge from military service. Also, any veteran whose coverage under servicemen's group life insurance terminated less than 4 years prior to the effective date veterans' group life insurance would be eligible for coverage under veterans' group life insurance for a period equal to 5 years less than time elapsed between the termination of the servicemen's group life insurance policy and the effective date of veterans' group life insurance. Over 3 million veterans would be eligible for VGLI insurance under the provisions of this bill.

Third, the Veterans' Insurance Act would increase the maximum amount of life insurance coverage under servicemen's group life insurance from $15,000 to $20,000 which would bring coverage under SGLI or VGLI more in line with the average amount of insurance carried by American families today, as well as the amount of insurance the Federal Government offers its own employees. It is estimated that almost 99 percent of those who are currently covered under SGLI will elect the coverage in the maximum amount of $20,000. In addition, the committee wishes to note that enactment of this provision will operate to increase SGLI insurance coverage from $15,000 to $20,000 for all policies currently in force for 1,089 servicemen who are currently listed as missing in action in Southeast Asia.

Fourth, the Veterans' Insurance Act would authorize the return of excess premiums currently being paid by Korean conflict veterans for veterans' special term life insurance—VSLI—as a dividend to them. Currently, premiums charged for VSLI are up to 70 percent more than needed to pay for the cost of claims, mortality and administrative charges. But, rather than be returned as dividends to the veteran policyholder, they are retained by the Government. Under amendments made by S. 1835, these overpayments will be returned to the veterans. Dividends are estimated to be as high as $18 a year for policyholders.

Mr. President, as with all legislation reported from the committee which I am privileged to chair, S. 1835, the Veterans' Insurance Act of 1974, is the product of solid bipartisan activity by each member of the committee. I am particularly indebted to Senator HAROLD E. HUGHES, chairman of the Subcommittee on Housing and Insurance and the ranking minority member of the subcommittee, Senator JAMES MCCLURE, who conducted hearings reviewing VA insurance programs and received testimony concerning S. 1835.

The subcommittee received testimony from the Hon. G. V. MONTGOMERY, chairman of the House Veterans' Affairs Subcommittee on Insurance, concerning H.R. 6574, his bill to extend full-time coverage under the servicemen's group life insurance—SGLI—program to certain members of the Ready and Retired Reserves and the National Guard—which provisions are incorporated in S. 1835, as reported. Testimony received from administration spokesmen included that of Odell Vaughn, Chief Benefits Director, Veterans' Administration, and Dr. Theodore C. Marrs, Deputy Assistant Secretary of Defense, Department of Defense. The Adjutant Generals of the National Guard of California, Florida, Iowa, Nevada, and Vermont testified at the subcommittee hearings as did representatives of the National Guard Association and the Reserve Officer's Association of the United States. Also testifying were representatives from the American Legion, Veterans of Foreign Wars, Disabled American Veterans, and the National Association of Concerned Veterans.

Representatives of the insurance industry appearing before the subcommittee included the National Association of Life Underwriters and the president of Ideal National Life Insurance Co.

Finally, the subcommittee received testimony from Dr. Joseph M. Belth, prefossor of insurance at the Graduate School of Business, Indiana University, and the author of "Life Insurance: A Consumer's Handbook."

Mr. President, special mention should also go to Congressman G. V. (SONNY) MONTGOMERY, Chairman of the House Veterans' Affairs Subcommittee on Insurance whose keen interest in providing servicemen's group life insurance to reservists and National Guard members has contributed greatly to the bill which we report today. Finally, it should be noted that comments of the General Counsel of the Veterans' Administration concerning S. 1835 have been a source of inspiration to me and my staff.

Mr. President, there is no need to go into detail about the importance of life insurance. People buy life insurance for a variety of reasons but the primary reason is for financial protection for one's family in case of premature death. Approximately 145 million Americans or 70 percent of the population are insured by one or more life insurance policies having a combined face value of $1.5 trillion. In fact, the Veterans' Administration alone provides insurance coverage exceeding $90 billion through seven life insurance programs it administers or supervises on the behalf of 9 million active duty servicemen and veterans.

Mr. President, I ask unanimous consent that appropriate excerpts from the committee report to S. 1835 which explain the increase in greater detail be included in the RECORD at this point.

There being no objection, the report was ordered to be printed in the RECORD as follows:

BACKGROUND AND DISCUSSION

VETERANS' ADMINISTRATION LIFE INSURANCE PROGRAMS

Approximately 145,000,000 people or about 70 percent of the population of the United States are insured by one or more life insurance policies having a combined face value of $1.5 trillion. Comprising about 6 percent of this amount are seven life insurance programs supervised or administered by the Veterans' Administration providing insurance coverage exceeding $90 billion on behalf of 9 million active duty servicemen or veterans.

Servicemen and veterans of World War I were up to $10,000 of United States Government Life Insurance (USGLI) policy. The oldest of Government administered programs, USGLI began in 1919 as the first permanent program for World War I veterans and was offered as a conversion from their inservice yearly renewable term coverage. No new issues of this life insurance have been available since 1951, and at present there are 160,000 policies worth $682 million. Dividends based on excess earnings of insurance premiums are regularly paid with the 1973 declared dividend amounting to approximately $21 million or an average of $143 to be paid by the Government to policyholders.

A second Government administered insurance program, National Service Life Insurance (NSLI), begun in 1940 (and closed to new issues in 1951) similarly offered $10,000 of life insurance to servicemen and veterans of World War II. NSLI is the largest of all veterans' insurance programs today with 4.1 million veteran policies with a face value of $27 billion. NSLI is a self-sustaining program except for the cost of administration and for death claims attributable to the extra hazards of military service which are paid by the Government. Dividends are also paid to NSLI policyholders based upon excess earnings of the NSLI trust fund. The 1973 declared dividend totals $276 million for an average payment of $72 for those insured under the program.

During the Korean conflict, the Government provided a $10,000 indemnity policy to servicemen. Following discharge, veterans were offered a $10,000 non-participating (i.e., non-dividend paying) term policy known as Veterans' Special Term Life Insurance (VSLI). There are about 600,000 VSLI policies in the amount of $5.3 billion currently in force. Not only is VSLI insurance also a self-supporting policy, but the Government earns a "profit" because the premiums paid are regularly in excess of mortality experience. In 1961, Public Law 87–223 did authorize a one-time special dividend to certain VSLI policyholders. Section 2 of the proposed Veterans' Insurance Act of 1974 (discussed hereinafter) would amend title 38 to permit the return of excess premiums to veteran policyholders on a regular basis.

A fourth Government administered self-supporting life insurance policy is Veterans' Reopened Insurance (VRI) which was authorized for a one-year period beginning May 1, 1965 when it became apparent that many disabled World War II and Korean conflict veterans had passed all delimiting dates for Government life insurance—and were either unable to obtain commercial life insurance coverage or could not obtain it at a reasonable cost. The one-year reopening resulted in about 210,000 veterans purchasing VRI life insurance. Currently, there are about 189,000 policies in force with a face amount of $1.3 billion.

The fifth VA policy is Service-Disabled Veterans Insurance (known as RH policies), which was first authorized in 1951 and is still open to new issues. This program is designed to assure service disabled veterans the ability to obtain life insurance at standard rates without regard to the physical impairment. Veterans with service-connected ratings for compensation purposes in the amount of 10 percent or more in degree and who are otherwise insurable have up to one year from the date of notice of such VA rating to apply for RH coverage. Disabled veterans may obtain $10,000 and in some cases up to $25,000 in life insurance at a standard rate. Since the RH program insures substandard risks at standard premium rates, it is the only Government administered insurance program which is not self-supporting. The cost to the Government in fiscal year 1973 was $13.6 million. There are approximately 145,000 policies in force at face value amount of $1.3 billion.

Finally, there are two Government life insurance policies which are *administered* by private insurance companies and supervised by the Veterans' Administration. The first is Veterans' Mortgage Life Insurance (VMLI) created in the last Congress by Public Law 92–95 which provides mortgage protection life insurance up to $30,000 at standard premium rates for any veteran who receives a Veterans' Administration grant for specially adapted housing. The Veterans' Administration assumes the excess cost attributable to the veteran's disability which in fiscal year 1974 is approximately $4.2 million. As of December 31, 1973, 4,972 veterans had purchased mortgage protection life insurance in the amount of $101 million under the new program.

The second and largest of the VA supervised insurance policies administered by private insurance is Servicemen's Group Life Insurance (SGLI). First authorized in 1965 by Public Law 89–214, SGLI has provided Vietnam era servicemen with a maximum $15,000 term insurance policy at low premiums (presently $2.50 a month for maximum coverage) which are handled by military payroll deductions. Coverage is optional and the servicemen may elect insurance in smaller amount of $10,000, $5,000, or not at all. Coverage is available to active duty servicemen and to Reserve, National Guard, and ROTC members while they are on active duty for training. Congress extended SGLI to cover cadets and midshipmen at the four service academies last year in Public Law 92–315. As of December 31, 1973, 3,522,000 policies in the face value amount of $38.3 billion are in force. These policies are divided between 2,517,000 policies held by active duty servicemen with a face value amount of $37.1 billion and 1,005,000 temporary policies with a face value amount of $1.7 billion held by Reservists while on active duty.

The SGLI program is supervised by the Veterans' Administration and is administered by Prudential Insurance Company, Newark, New Jersey, as primary insurer through a contractual agreement with the VA. This insurance is reinsured on a formula basis prescribed by the Administrator with as many qualified commercial companies as elect to participate. Presently, 584 companies are participating in this program as reinsurers and converters and an additional 32 are participating as converters only. Under existing law, following his discharge, the veteran has 120 days within which he may convert all or part of his SGLI term coverage without evidence of insurability to a cash value policy with one of the 616 participating commercial life insurance companies. The law provides that such policies must be converted to a cash value form of insurance.

Amendments made by this bill would extend SGLI coverage on a full-time basis to Reservists and National Guard members, increase the maximum amount of insurance from $15,000 to $20,000 and also establish a new five-year limited term Veterans' Group Life Insurance policy, which are discussed below.

VETERANS' SPECIAL TERM LIFE INSURANCE AMENDMENTS

S. 1835, as reported, would correct a continuing and long standing inequity concerning Korean conflict veterans by authorizing the payment of dividends on Veterans' Special Term Life Insurance (VSLI). The Government provided Korean conflict servicemen with a $10,000 indemnity policy during their active duty service. The VSLI program was first authorized beginning April 25, 1951 to allow Korean conflict veterans to purchase Government sponsored life insurance following their military duty and was closed to new issues on December 31, 1956. VSLI was issued to veterans of the Korean conflict who applied for insurance within 120 days after their discharge from service during that period. As originally authorized, this insurance was nonconvertible (there were no permanent plans) and nonparticipating (no dividends were payable). Public Law 85–896, effective January 1, 1959, amended section 723 of title 38, United States Code, to authorize the conversion or exchange of Veterans' Special Term Insurance to a permanent whole life insurance plan (W-ordinary life) or to a limited convertible term policy which could not be renewed after age 50 (W–LCT). All term insurance continued to be nonparticipating. As of December 31, 1973, there were 43,000 policies of VSLI in force which had not been converted or exchanged, and 557,800 that had been so converted or exchanged as shown in the following table:

TABLE 1.—VSLI POLICYHOLDER DISTRIBUTION

Type and plan	Number of policyholders	Amount of insurance (millions)
RS—5 LPT	43,000	$389
W—5 LCT	371,000	3,406
W—permanent	179,000	1,416
Extended term [1]	7,800	57
Total	600,800	5,268

[1] The extended term plan policies represent W—permanent plans which are lapsed but are continued in force under the extended insurance provision of the policy.

The premiums charged to these Korean war veterans with term policies (based upon the Commissioners 1941 Standard Ordinary Table of Mortality) are far in excess of mortality experience. Following a long established procedure, Veterans' Administration insurance premium rates are usually set conservatively by the actuarial process. For example, it is estimated for fiscal 1974 overpayments for NSLI were 31 percent and for SGLI, 22 percent. Once such excess premiums are precisely established and confirmed under those policies, they are of course returned to the veteran in the form of dividend payments. But premiums charged for VSLI are up to 70 percent more than are needed to pay for the cost of claims, mortality, and administrative charges; and rather than returned as dividends to the veteran policyholder, they are retained by the Government. With the exception of a one-time special dividend for some VSLI policyholders authorized in 1961 by Public Law 87–233, all premiums overcharges are retained by the Administrator who periodically transfers from the revolving fund to general fund receipts in the Treasury such amounts as he determines are in excess of actuarial liabilities of the fund (including contingency reserves). Since 1961, in excess of $47 million has been transferred from the section 723 revolving fund to the Treasury.

The following table illustrates excess premiums collected by the Veterans' Administration (which they prefer to designate as "Gain from Operations") since 1965:

TABLE 2.—VSLI GAINS, TRANSFERS AND SURPLUS

[In millions of dollars]

Calendar year	Gain from operations	Transferred to U.S. Treasury	Surplus
1965			11.5
1966	2.7	7.0	7.2
1967	2.8	8.0	2.0
1968	3.8	2.0	3.8
1969	4.8	2.5	6.1
1970	4.7	6.5	4.3
1971	6.4	7.0	3.7
1972	5.6	8.0	1.3
1973 (estimated)	8.1	6.0	3.4
1974 (estimated)	10.2		

Section 2 of the bill would authorize payment of dividends on Veterans' Special Term

Life Insurance continued in force or converted or exchanged. Following policy coordination with the Office of Management and Budget, the Veterans' Administration formally opposed the return of the overcharges to veteran policyholders in testimony before the Committee. The Administration has attempted to justify its opposition by suggesting that the overpayments should be applied to the small deficit sustained by Service-Disabled Veterans Insurance, the only non-self-supporting Government administered insurance program. The Committee has carefully considered and rejected this argument. It believes the obligation incurred by our country concerning its veterans are obligations owed by the Nation as a whole and not by any particular segment of the population. A principle that is equally fundamental to the Committee is that it never intended by Congress that the Government overcharge war veterans for insurance and make a profit on that overcharge. Ending Government retention of overcharges and converting VSLI to dividend paying policies will correct what the VFW in testimony before the Committee has termed a "gross inequity."

Section 2 would operate prospectively with current and future premium overcharges being returned as dividends. The premiums paid by each insured for his particular amount, plan and age of issue will not change. However, the dividends he will receive as a part of this act will have the result of reducing the net cost of the veteran's insurance. These dividends may also be used to purchase additional paid-up insurance. Although the final figures for calendar year 1973 are not yet available, a reliable estimate of the excess premiums would be $8.1 million. From this amount, $6 million has been transferred to the U.S. Treasury leaving an unassigned surplus of $2.1 million which, when added to the 1972 surplus, results in a total of $3.4 million. It is currently estimated that the excess premiums or "net gain from operation" for calendar year 1974 will amount to $10.2 million. Predicated on a dividend of $6 million being declared in 1975, the unassigned surplus would then be increased to $7.6 million. If current trends continue, the net gain from operations in 1975 would be $12 million resulting in an estimated 1976 dividend of $9.1 million and leaving a surplus of $10.5 million at the end of the calendar year 1975. This surplus would guard against the possible reduction in the amount of future dividends due to a loss in interest earnings or adverse mortality experience and would also provide a means for "leveling off" or making slight increases in future dividend distribution. A first year dividend of $6 million would be distributed as shown in the following table:

TABLE 3.—ANTICIPATED 1ST-YEAR VSLI DIVIDEND

	Amount
RS (5-year level premium term)	$545,000
W (5-year limited convertible term)	955,000
W (Permanent plan)	4,500,000
Total	6,000,000

The following table further reflects the effect on a representative RS policyholder and a representative W policyholder when the fund becomes participating. For RS and W term policyholders, the table uses age 41, which is their current average age. The table uses age 30 for permanent plan policyholders based on the average 1963 effective year of conversion:

TABLE 4.—EFFECT OF AMENDMENT ON TYPICAL VSLI POLICYHOLDERS

	RS (5 LPT)	W (5 LCT)	W (ordinary life)
Issue age	41	41	30
Year of issue	1972	1972	1963
Average amount of insurance	$8,900	$9,100	$8,000
Premium	$66.22	$29.48	$110.40
Estimated dividend (average per policy)	$12.46	$2.55	$18.80
Net cost per policy	$53.76	$26.93	$91.60
Net cost per $1,000	$6.04	$2.95	$11.45

PROVISION OF FULL-TIME SGLI TO MEMBERS OF THE RESERVES AND NATIONAL GUARD

Section 3 of S. 1835, as reported, would offer Servicemen's Group Life Insurance coverage on a full-time basis to certain members of the Reserves and National Guard. Members of the Selected Reserve and certain members of the Retired Reserve to age 60 would be entitled to purchase a SGLI policy providing full-time term life insurance coverage up to a maximum amount of $20,000 (as authorized by section 4 of this act.) Great interest has been generated among those who believe that extension of this term life insurance coverage will act as a significant incentive to enlist and retain coverage will act as a significant incentive to enlist and retain Reservists and Guardsmen. The Honorable G. V. Montgomery, Chairman of the House Veterans' Affairs Subcommittee on Insurance, expressed particular concern about the need to bring the personnel strength of Reserves and National Guard up to authorized levels and sponsored H.R. 6374 to extend SGLI insurance to such members. Following hearings before his Subcommittee, Representative Montgomery's bill received nearly unanimous House approval this past year.

There appears to be no question that in the age of the All Volunteer Army the inducement to enlist in the Reserves and National Guard has been reduced. Reserve forces, which now comprise 30 percent of the total military forces available to the country, are about 10 percent below their authorized strength. (By contrast, National Guard strength was at 100 percent as recently as two years ago.) The following table supplied by the Department of Defense indicates authorized strength, existing personnel shortages and anticipated shortages by the end of the current fiscal year:

TABLE 5.—AUTHORIZED AND ACTUAL RESERVE AND NATIONAL GUARD STRENGTH

	Mobilization manning objective (minimum level of manning required)	Actual strength, Jan. 31, 1974	Deficiencies
Army National Guard	411,979	396,423	−15,556
Air National Guard	92,291	92,870	+579
Total, National Guard	504,270	489,293	−14,977
Army Reserve	260,554	227,702	−32,852
Navy Reserve	116,981	117,800	+819
Marine Reserve	39,488	32,425	−7,063
Air Force Reserve	49,773	46,562	−3,211
Total, Reserves	466,796	378,489	−42,307
Grand total	971,066	867,782	−57,284

Dr. Theodore Marrs, Deputy Assistant Secretary of Defense (Reserve and Manpower), testifying in support of S. 1835 said:

"In view of increased dependence on the Guard and Reserve and the necessity to have adequate manning and the contribution that this makes to appealing in the area of both recruiting and retention, we feel it very important that this be passed."

Major General Henry W. McMillan, Adjutant General, National Guard Association of Florida, noted in his testimony that the National Guard and certain elements of the Army Reserve have been assigned high priority missions:

". . . some of which call for rapid deployment to overseas following mobilization. This new and more critical role makes it urgent that we maintain strength levels commensurate with our readiness objectives and timetables."

And, Representative Montgomery has said:

"I think we are all aware that in the event we are faced with an emergency situation, the draft will be the last means of resort, not the first. The Reserves will oversee the call-up and we must ensure that the strengths are adequate to meet any situation."

Numerous formal and informal surveys have been conducted in recent years on why people join the Guard and Reserve and what actions might encourage more people to do so. A national Gilbert Youth Survey conducted for the Department of Defense on the attitudes of civilian youth towards military service found that in a "no draft" situation 15 percent of those surveyed would be attracted by the incentive of Service's Group Life Insurance. Surprisingly, 9 percent of the survey listed full-time insurance coverage as their first preference among various recruitment incentives.

As to retention of existing personnel, another survey, entitled "Maintenance of Reserve Components In A Volunteer Environment," conducted by Research Analysis Corporation for the Department of Defense found that 27 percent of our Army National Guard personnel and 23 percent of the United States Army Reservists would reenlist based upon the incentive of SGLI insurance coverage.

The Department of Defense has informed the Committee that approximately 910,000 men and women would be eligible for full-time SGLI coverage if S. 1835 were enacted. Of that number, the Defense Department estimates that 97 percent will elect coverage (and 99 percent will choose maximum coverage in the amount of $20,000).

Full-time coverage under SGLI would also be authorized for persons assigned to or who upon application would be eligible for assignment to the Retired Reserve of a uniformed service who are under 60 years of age and who have completed at least 20 years of satisfactory service creditable for retirement purposes under chapter 67 of title 10, United States Code. Presently, members of the Retired Reserve have no eligibility under SGLI. Often a Guardsman or Reservist retires at age 45 having completed 20 years of service yet is ineligible for any retirement pay until he is 60. This measure would provide full-time coverage up to $20,000 during the interim period between his 45th and 60th birthdays and provide a measure of protection for the Retired Reservist's family. Representatives of the Department of Defense and members of various National Guard units throughout the United States testified as to a number of tragic circumstances occurring with respect to Retired Reservists who had not yet reached the age of 60 and qualified for retirement pay and survivor benefits.

As Major General Joe May, Adjutant General of Iowa noted:

"Since they had not begun to receive their retirement pay, their widows were not eligible for any benefits. These men all were dedicated public servants, and I feel all should have been afforded some protection benefits for their survivors."

The following table indicates the number of Reservists presently eligible for retired pay under 60 years of age who would be made eligible under this provision.

Table 6.—Reservists presently eligible for retired pay under 60 years of age

Army Reserve	28,500
Air Force Reserve	29,700
Naval Reserve	53,169
Marine Corps Reserve	3,367
Coast Guard Reserve	908
Total	115,644

As reported in S. 1835, the extension of Servicemen's Group Life Insurance to Reservists and National Guard members is strongly supported by the Department of Defense and the Veterans' Administration. All veterans' organizations, the Reserve Officer's Association, and the National Guard Association of the United States also testified in strong support of this provision.

Increase in maximum insurance coverage from $15,000 to $20,000

The bill as reported would increase the maximum amount of life insurance coverage available under Servicemen's Group Life Insurance (as well as under the new VGLI program created by this act) from $15,000 to $20,000. As under current law, eligible members can elect to be insured in lesser amounts of $15,000, $10,000, or $5,000, or not at all. The monthly premiums for Servicemen's Group Life Insurance are presently $2.55 for $15,000 or approximately 85c per each $5,000 of insurance. The increase in maximum coverage under SGLI or VGLI insurance is to be financed by an increase in premiums paid by the serviceman or the veteran. If current premiums remain consistent, the maximum coverage for $20,000 would cost the serviceman or veteran approximately $3.55 per month. Cost to the Government would accrue only to the extent of adverse mortality experience related to the extra hazard of military service. No foreseeable cost to the Government is anticipated as a result of the termination of hostilities in Southeast Asia.

The Committee is convinced that the increased coverage authorized in the reported bill is justified both by current economic living conditions and by the average amount of insurance coverage in force today. It should be noted that the War Risk Insurance Act of October 6, 1917, first established a program of Government insurance for those serving in the Armed Forces which allowed $10,000 of coverage. In the following 57 years of Government administered or supervised life insurance, the maximum amount of coverage has increased only once, by Public Law 91-291, approved June 25, 1970, in which the maximum coverage under SGLI was increased to $15,000. The American Legion noted in its testimony supporting an increase in the maximum coverage level that, in terms of today's purchasing power, it takes approximately $3 today to buy what $1 purchased in 1919, when a $10,000 life insurance policy was first authorized.

Increasing the maximum amount of available SGLI or VGLI insurance would also bring its coverage more in line with the average amount of insurance carried by American families today and the amount of insurance the Federal Government offers its own civilian employees. In 1971, for example, the average amount of insurance coverage for insured families was approximately $25,700. Federal Civil Service employees may purchase group term life insurance in the amount of $20,000.

Currently, more than 97 percent of those eligible for Servicemen's Group Life Insurance elect coverage; of that number, 99 percent are insured for the maximum available amount of $15,000. Representatives of the Department of Defense and the Veterans' Administration both testified that they anticipated that nearly all servicemen who currently are insured under SGLI would also choose the maximum coverage of $20,000 if made available as the reported bill authorizes.

If the veteran decides to exercise his statutory right to convert his SGLI or VGLI to a whole life insurance policy with a participating commercial insurance company, he would now be converting at an amount which more clearly approximates the average insurance coverage held by American families. A Veterans' Administration survey conducted in 1971 of those who exercised conversion rights under SGLI found that 85.8 percent purchased a commercial whole life insurance conversion policy in the maximum amount of $15,000. Thus, based upon the historical record, the insurance industry may reasonably expect the overwhelming majority of its conversion policy sales to be for the new maximum level of $20,000.

In his testimony supporting the increase in the maximum amount of insurance coverage in S. 1835, Defense Department Deputy Assistant Secretary Marrs noted that in 1971 the President appointed an interagency committee to review the Military Retirement and Survivors Benefits system and to recommend such changes as were found necessary or desirable including the adequacy of the Servicemen's Group Life Insurance program. After careful consideration, the Interagency Committee recommended that the maximum amount of SGLI insurance coverage be increased to $20,000 and reported that:

"The insurance plan is the other element of active duty survivor benefits where a requirement to change exists. Although the SGLI maximum was increased in 1970 from $10,000 to $15,000, the first quadrennial review of military compensation had recommended, as a result of its extensive studies, that the maximum be increased to $20,000. The committee believes the reasoning for that recommendation continues to be sound. Increasing maximum SGLI coverage, would improve the attractiveness of the uniformed services' total compensation package. This improvement would be attained at a relatively low cost to the Government since the Government's costs with the SGLI program are primarily administrative; of course, the Government would pay the extra hazard costs that are based on the actual mortality experience of the services. A further reason for revising the insurance coverage exists when uniformed service insurance coverage is compared with that available under the Federal civil service plan. All service employees may obtain at least $20,000 worth of coverage. Some are permitted to purchase significantly greater amounts."

The Subcommittee on Housing and Insurance also received testimony in support of this provision from representatives of all major veterans' organizations, the Reserve Officer's Association and the National Guard Association.

The Committee also wishes to note that enactment of this provision will operate to increase SGLI insurance coverage from $15,000 to $20,000 for all policies currently in force for the 1,089 servicemen who are listed as Missing in Action in Southeast Asia (total number as of February 16, 1974). According to the Department of Defense, every one of these servicemen is insured by SGLI.

Veterans' group life insurance

S. 1835, as reported, would authorize the conversion of Servicemen's Group Life Insurance to a new five-year limited term insurance policy to be known as Veterans' Group Life Insurance (VGLI). Designed to provide low-cost insurance protection during the readjustment period experienced by Vietnam era veterans following their separation from active military duty, VGLI is closely patterned after SGLI insurance now in force. As with SGLI, Veterans' Group Life Insurance would offer low-cost term insurance in a maximum amount of $20,000 for up to five years during the veteran's readjustment transition. The insurance will be provided by private insurers as part of a group VGLI contract to be awarded on a competitive basis by the Veterans' Administration and supervised by that agency. Following that five-year period of coverage, the veteran policyholder would then have an enforceable statutory right (as he does now under SGLI) to convert his insurance to a commercial whole life policy with any one of the 600 private insurance companies expected to participate in the VGLI program.

Major impetus for the establishment of VGLI derives from the experience of Vietnam era veterans who were insured under SGLI during their military service. Existing law provides that in most cases SGLI insurance coverage ceases 120 days following a serviceman's release from active duty service (totally disabled veterans who are insured under SGLI have up to one year after discharge). During that 120-day period, the veteran has a statutory right to convert his SGLI coverage to a commercial whole life policy (in the same or lesser amount) offered by one of the participating private life insurance companies. In practice, current policy appears to have serious deficiencies. A survey of the SGLI program conducted by the Veterans' Administration in 1971 found, for instance, that only one-third of SGLI policyholders were converting to commercial insurance following military discharge. And, of those who did convert, VA testimony before the Committee revealed that there was a "high-lapse ratio after the first year." The reasons for low-conversion rates (and high-lapse ratios for those that do) are varied but most would appear to support the need to establish a Veterans' Group Life Insurance program as contemplated in S. 1835.

First, of course, is the fact that upon discharge many young veterans are concerned with matters other than life insurance coverage. In the words of one Administration witness, ". . . young men tend to ignore their life insurance needs." Consequently the 120-day conversion period has often run its course with the veteran either forgetting, being unaware, or unconcerned about his insurance needs. The 1971 VA study found that 38.7 percent of young veterans surveyed believed that they "had enough life insurance" and an additional 13 percent either forgot or were unaware of their SGLI conversion rights. Finally, and perhaps most significantly, the Veterans' Administration study also revealed that inability to afford insurance coverage was a major reason for low conversion. Quite naturally, life insurance hardly appears to be a priority to the young ex-serviceman concerned with all the obvious readjustment problems of additional schooling, finding an additional job, beginning a family, and buying a home. One hundred twenty days passes swiftly and the veteran often finds himself with no insurance coverage. His financial situation too often prohibits him from taking out any insurance, much less adequate insurance. Veterans' Group Life Insurance is intended to provide a low-cost policy of life insurance during this readjustment period following which the veteran will be in a better position to recognize the value of commercial life insurance and to purchase that amount which he considers adequate and necessary.

In strongly supporting the establishment of VGLI insurance, the Veterans' Administration has reported that if a veteran 20-30 years of age today buys a $15,000 ordinary life policy with no added benefits from a company which will pay dividends, a typical monthly premium will be about $21. This

cost would of course be reduced in the future as dividends are declared. Veterans' Group Life Insurance as proposed by this bill, however, would reduce by more than seventy-five percent most veterans' initial outlay for the same amount of insurance during these critical years of readjustment.

As the VA noted in its report to S. 1835:

"While the coverage is limited term life insurance only, the premium reduction is of particular importance to those veterans readjusting to civilian life, many of whom have limited incomes and many of whom will undertake programs of education during which time they will not have an income from employment."

The high-lapse ratio of veterans who have converted to commercial whole life policies also tends to support the presumption that such payments are difficult to make for young veterans generally confronted with substantial expenses and modest incomes. Veterans' Administration studies also reveal that the lower the educational level of a veteran the higher the rate of response that he could not afford to convert his SGLI policy. In further analyzing statistics gathered by the survey, the Veterans' Administration noted that they "would appear to indicate that a relatively high percentage of Negro veterans felt they needed insurance but could not afford it."

The Committee also received testimony supporting VGLI from James M. Mayer, President of the National Association of Concerned Veterans (formerly the National Association of Collegiate Veterans) which represents 300,000 Vietnam era veterans. Mayer noted that:

"SGLI seems to presume that most young veterans will convert their service coverage to an individual policy with a private firm. However, this situation simply was not an opportunity for many Vietnam-era veterans. There are a number of reasons for this predicament, including the following:

"1. Upon return, the younger veteran is closer to poverty than financial autonomy. This discourages the veteran from making adequate, yet expensive, life insurance a priority in readjustment.

"2. Most young veterans have little knowledge of the complexities or the value of life insurance. While the hazards of possible combat taught young veterans the value of coverage inservice, an ambivalent view on insurance exists in their civilian life.

"3. Because of the young veteran's immediate concerns, the 120-day eligibility period is usually over before most have secured even the most basic services or benefits.

"4. An extraordinary number of Vietnam-era veterans have been contacted by various commercial interests. Some of these contacts have resulted from less-than-ethical transfers of mailing lists. Some of these contacts are of a shoddy opportunity.

"Repeated inundation by market-oriented groups has accentuated the veterans' skepticism of such offers. Therefore, the popularity of such terms as "junk mail" and "rip offs" is rampant among young veterans.

"Legislation, such as S. 1835, is necessary to correct these circumstances. This legislation should provide maximum opportunities for all Vietnam-era veterans—especially the disabled and low-income veterans."

In its testimony the Veterans of Foreign Wars observed that for the young veteran:

"The first five years after discharge from service are often the hardest. Money is scarce. If married, the veteran needs life insurance protection."

Consistent with the foregoing factors, VGLI would also be offered on a limited retroactive basis to many of the 6 million Vietnam era veterans previously separated from service who did not convert their SGLI policies or whose commercial policies lapsed for nonpayment. The Committee is convinced that a young veteran discharged yesterday has the same readjustment problems, and will continue to have those problems, during the next five years as would a veteran discharged tomorrow. Under this retroactive provision, VGLI would be issued for a term period equal to five years less any time lapse in the termination of the applicant's Servicemen's Group Life Insurance and the effective date of the VGLI program. For example, the veteran who was discharged a year ago would be entitled to Veterans' Group Life Insurance for a period of four years. A veteran discharged two years ago would be entitled to VGLI for a period of three years, and so on. For retroactive coverage, proof of good health would be required, except that any veteran who could not meet the good health requirements for insurance under this subsection solely because of a service-connected disability would have such disability waived.

While generally conceding the logic of retroactive application of VGLI insurance to cover veterans with similar readjustment needs, the Veterans' Administration expressed a number of technical reservations concerning the operation of the provisions as introduced. These included the problems of "adverse selections" by service-connected disabled veterans made retroactively eligible which could result in increased premiums. The Veterans' Administration estimates that, on an annual basis, such "adverse selection" could increase premiums by about 10¢ per thousand or about $2.00 a year for veterans insured in the maximum amount of $20,000. The Veterans' Administration was also concerned about the difficulties in administration which might be created by a large open period for enrollment by those retroactively eligible. In response, the Committee has made a number of technical amendments in the reported bill which it believes meets the reservations expressed. For example, a separate risk pool is authorized for those made eligible under retroactive provisions so as not to penalize those currently being discharged. Further, the opportunity to participate in the VGLI insurance program on a retroactive basis must be exercised by the veteran within one year following enactment of the program. In the past five years, almost 4.5 million veterans have been separated from the uniformed services. Approximately 97 prcent of those veterans were insured under SGLI and hence would be eligible for VGLI as shown in the following table:

TABLE 7.—*Vietnam era veteran separations from service, fiscal year 1971–74*

Fiscal year:	Total discharged
1971	1,014,000
1972	890,000
1973	570,000
1974 (estimate)	500,000

Following the five-year period of the term insurance coverage in which the veteran will have "adjusted socially and economically" according to the Veterans' Administration, it can be assumed that he will have substantially completed his education under the GI bill and will have settled into a more regular framework of employment and family life. With increased education, maturity, and a better sense of his financial responsibilities, he will be in a superior position to decide his insurance needs, if any, and to intelligently exercise his conversion rights as he sees best. It would certainly appear that by five years following discharge the veteran would be more able to afford commercial life insurance should he decide to convert his VGLI policy. It would also appear that there would be less chance that such policies would lapse for nonpayment than is the case currently. Veterans' Group Life Insurance should also be beneficial to private insurance companies assuming the accuracy of VA estimates that a significantly higher percentage of veterans would convert their VGLI policies than they do now under SGLI.

The following table indicates the number of servicemen who would be made eligible for VGLI coverage during the next three fiscal years.

TABLE 8.—*Estimated Vietnam era veteran separations from service, fiscal years 1975–78*

Fiscal year:	Total discharged
1975	460,000
1976	450,000
1977	450,000
1978	450,000

COST ESTIMATES

In accordance with section 252(a) of the Legislative Reorganization Act of 1970 (Public Law 91–510, 91st Congress), the Committee, based on information supplied by the Veterans' Administration, estimates that the only significant costs attributable to this bill are occasioned by section 2 of the bill authorizing the payment of dividends on Veterans' Special Life Insurance. The Veterans' Administration estimates that approximately $6 million a year in excess premiums paid in by policyholders would be returned to the veterans instead of being transferred to the Treasury under current practice. The Veterans' Administration anticipates administrative costs of approximately $200,000 in connection with the payment of dividends during the first year with no significant costs during the succeeding four. As to the remainder of the act, the Veterans' Administration has advised the Committee as follows:

"The insurance benefits provided by the bill are practical and actuarially sound. All of the claims of the cost of the bill would be borne by the insureds. There is no foreseeable possibility of an extra hazard cost to be borne by the Government. All of the administrative costs of the bill to the Veterans' Administration and to the commercial insurers would be borne by the insureds. There would also be some minor costs not estimated as the Veterans' Administration with regard to the administrative costs amending group policy, printing the necessary forms, and updating handbooks and pamphlets."

TABULATION OF VOTES CAST IN COMMITTEE

Pursuant to section 133(b) of the Legislative Reorganization Act of 1946, as amended, the following is a tabulation of votes cast in person or by proxy of the Members of the Committee on Veterans' Affairs on a motion to report S. 1835, with amendments, favorably to the Senate:

Yeas—9. Vance Hartke; Herman E. Talmadge; Jennings Randolph; Harold E. Hughes; Alan Cranston; Clifford P. Hansen; Strom Thurmond; Robert T. Stafford; and James A. McClure.

Nays—0.

SECTION-BY-SECTION ANALYSIS AND EXPLANATION OF S. 1835, AS REPORTED

SECTION 1

This section provides that the proposed Act may be cited as the Veterans' Insurance Act of 1974.

SECTION 2

Subsection (a) of section 2 amends section 723 of subchapter I of chapter 19 of title 38, United States Code, to authorize the payment of dividends on Veterans' Special Term Insurance continued in force or converted or exchanged in accordance with the provisions of that section.

Clause 1 of subsection (a) amends the catch line to section 723 to read Veterans' Special Life Insurance.

Clause 2 of subsection (a) amends section 723(a)(4) by providing that the five-year level premium term policies authorized under this section will be participating policies (i.e., dividend paying) rather than nonparticipating as limited by current law. All premiums and interest earned thereon in excess of liabilities shall be available for the payment of dividends and refunds of unearned premiums to the policyholders.

Clause 3 of subsection (a) amends section 723(b)(5) by providing that the five-year limited convertible term policies authorized under this section will be participating policies (i.e., dividend paying) rather than nonparticipating as limited by current law. All premiums and interest earned thereon in excess of liabilities shall be available for the payment of dividends and refunds of unearned premiums to the policyholders.

Clause 4 of subsection (a) repeals sections 723(d) and 723(e). Section 723(d) refers to a one-time special dividend which the Administrator was directed to pay to policyholders under *this section* pursuant to Public Law 87–223. Payments were authorized only from 1961 to 1963 and the provision is now obsolete and inapplicable. Section 723(e) directing the Administrator to periodically transfer excess amounts from the revolving fund established in subsection (a) into the Veterans' Insurance and Indemnity Fund is repealed because amendments made in this act would convert all insurance policies under section 723 from nonparticipating to participating. Excess funds will now be paid directly to the policyholders themselves.

Subsection (b) amends the analysis of section 723 of chapter 19 of title 38 to correspond with the change in the title of that section to Veterans' Special Life Insurance.

SECTION 3

This section amends section 765(5) to broaden the definition of "member" (i.e., person eligible for coverage under SGLI) to include Ready Reserve members who are assigned to a unit or position in which they may be required to perform active duty (or active duty for training) and who each year will be scheduled to perform at least twelve periods of inactive duty training that is creditable for retirement purposes under chapter 67 of title 10, United States Code. By virtue of 10 U.S.C. 269(b) and 32 U.S.C. 101 (5) and (7) members of the Army and Air National Guard are deemed to be members of the Ready Reserve and hence are included in this amended definition of member. The effects of this amended definition will be to expand to Ready Reserve and National Guard members full-time SGLI coverage. Under current law, members of the Reserves and National Guard are covered under SGLI only under the following circumstances: (1) when such member is on active duty or active duty for training; (2) when such member is called or ordered to duty that specifies a period of less than 31 days during the hours of scheduled inactive duty training; or (3) while such member is traveling to or from official duties. In addition, the term "member" is also amended by this section to include any person assigned to the Retired Reserves who (1) has not received the first increment of his retirement pay or has not reached his 61st birthday; and (2) who has completed at least 20 years of satisfactory service creditable for retirement purposes under chapter 67 of title 10.

SECTION 4

Clause 1 amends section 767(a) providing automatic coverage under SGLI to reflect the broader definition of "member" in section 765 (as amended by section 3 of this act) to include members of the Ready and Retired Reserves. The maximum amount of automatic coverage is increased from $15,000 to $20,000 with an option to the member to elect insurance coverage in a lesser amount of $15,000, $10,000, $5,000, or not at all.

Clause 2 amends section 767(b) to provide that, with respect to any member on active duty or active duty for training for less than 31 days, on inactive duty training scheduled in advance, or traveling to or from such duty, SGLI coverage will be extended from 90 to 120 days after that period of duty or travel, if during such a period a disability was incurred or aggravated which rendered the member uninsurable or caused his death.

Clause 3 amends section 767(c) relating to subsequent election of coverage to reflect the increase in the maximum amount of SGLI insurance coverage from $15,000 to $20,000 made by this act. This section is also amended by providing for automatic SGLI coverage in any event where a member eligible for SGLI has declined coverage solely to maintain a Veterans' Group Life Insurance (VGLI) policy (authorized in section 9 of this act) which is subsequently terminated.

SECTION 5

Subsection (a) of section 768 relating to duration and termination of SGLI coverage and conversion rights is amended to reflect the extension of full-time SGLI coverage to members of the Ready and Retired Reserves.

Clause 1 amends section 768(a) which provides automatic coverage under SGLI unless the eligible member elects not to be covered to reflect the broader definition of "member" in section 765 (as amended by section 3 of this act).

Clause 2 amends clauses 2 and 3 of section 768(a) to extend SGLI coverage from 90 to 120 days in the case of any member on active duty or active duty training for less than 31 days, or on inactive duty training scheduled in advance, where such training results in a disability or aggravates a pre-existing condition. Under current law, SGLI coverage normally terminates on such member's last day of active duty or scheduled training. If a disability is incurred or aggravated, however, coverage may be extended 90 days so that, if death results within that period, the insurance policy is in effect and is payable to the insured's beneficiary. The amendment made by this clause would extend that period from 90 to 120 days.

Clause 3 would add new clauses 4 and 5 to section 768(a). New clause 4 provides that SGLI coverage for a Ready Reserve member shall cease 120 days after separation or release from assignment unless on the date of that separation the member is (A) totally disabled, in which case the insurance shall continue in force for one year after discharge or until the member is no longer disabled whichever is earlier, or (B) has completed at least 20 years of satisfactory service creditable for retirement purposes under chapter 67 of title 10 and would thus be eligible for assignment to the Retired Reserves. In this latter circumstance—unless the insurance is converted to an individual whole life commercial policy under terms set forth under new section 777(e)—SGLI coverage will continue upon timely payment of premiums until the member receives the first increment of his retirement pay or reaches his 61st birthday, whichever is earlier. Under the new clause 5, a member assigned to the Retired Reserve, prior to the effective date of the extension of SGLI insurance for that group, will be entitled to coverage until such member receives the first increment of his retirement pay or reaches his 61st birthday, whichever is earlier.

Clause 4 amends section 768(b) to provide that the day after SGLI coverage ceases for active duty members, the insured's policy is automatically converted to a five-year limited term policy known as Veterans' Group Life Insurance provided for in new section 777 (created by section 9 of this act). Members of the Ready Reserve and Retired Reserve, however, would not be eligible for Veterans' Group Life Insurance. Servicemen's Group Life Insurance coverage ceases for such Reserve members 120 days after separation unless on the date of separation the insured has completed at least 20 years of satisfactory service creditable for retirement purposes under chapter 67 of title 10 and is eligible for assignment to the Retired Reserves. In such circumstances, unless the insurance is converted to a whole life commercial insurance policy within 120 days after separation, SGLI coverage will continue until the insured receives his first retirement pay or reaches his 61st birthday, whichever is earlier.

Clause 5 repeals section 768(c) providing the conditions and procedures for conversion of a SGLI policy to a whole life commercial private policy. Those provisions are now found in new section 777(e), which also provides for the conversion of SGLI to Veterans' Group Life Insurance.

Subsection (b) is a savings provision which preserves existing conversion rights for servicemen with SGLI policies who were released from the service prior to the effective date of the new Veterans' Group Life Insurance program provided for in section 9 of this act.

SECTION 6

This section makes a number of technical amendments and one substantive change to section 769 relating to deductions, payment, interest, and expenses under Servicemen's Group Life Insurance programs.

Clause 1 makes technical amendments to paragraphs 1 and 2 of section 769(a) to make clear that the term "insurance" used in that section refers to Servicemen's Group Life Insurance. This clarification prevents possible confusion with the new Veterans' Group Life Insurance program established by this act.

Clause 2 redesignates paragraphs 2 and 3 of section 769(a) as 3 and 4 and adds a new paragraph 2 which provides that the Administrator shall set the premium rate for insurance extended to members of the Ready and Retired Reserve units eligible for SGLI under this act. The cost if insuring such members (less any amount traceable to the extra hazards of duties as a reserve member) shall be contributed from active duty pay appropriations. The appropriate service Secretary shall collect insurance premiums by deduction from the pay or otherwise from the insured reserve member concerned.

Clauses 3, 4, 5, and 6 make technical amendments to reflect the redesignated paragraphs in section 769(a) and further amend sections 769 (b), (c), and (d) to also clarify the term "insurance" used in each instance to refer to Servicemen's Group Life Insurance.

Clause 7 adds a new section 769(e) which provides that the regular procedures for assignment of SGLI premiums contained in section 771 shall apply with respect to members assigned to Retired Reserves except that the Administrator is authorized to provide for average premiums for such various age groupings as he may determine necessary according to sound actuarial principles and to include an amount necessary to cover the administrative costs of such insurance in the premiums established for eligible Retired Reserve members. The premiums shall be payable by members as provided by the Administrator directly to the administrative office established under section 766(b). A separate accounting may be required by the Administrator for insurance issued to or continued in force on the lives of members assigned to the Retired Reserve and other insurance in force. In such accounting the Administrator is authorized to allocate claims and other costs among such programs of insurance according to accepted actuarial principles.

SECTION 7

Clause 1 amends section 770(a) which defines the order of precedence in the payment of insurance to beneficiaries to reflect the addition of newly eligible Ready and Retired Reserve members. This section provides that any Retired Reserve member insured under SGLI or any veteran insured under VGLI may submit a written designation of beneficiaries to the administrative office established under section 766(b) of title 38.

Clauses 2 and 3 make technical amendments to section 770 (e), (f), and (g) to reflect amendments made by this act which create the new Veterans' Group Life Insurance program.

SECTION 8

Clause 1 makes technical amendments to section 771(b) to clarify that the insurance policies referred to in that section are those issued under Servicemen's Group Life Insurance.

Clause 2 amends section 771(e) to correct a prior typographical error and thus properly identify the section which establishes the revolving fund as section 769(a)(1) rather than section 766 as the law presently states.

SECTION 9

Subsection (a) amends subchapter III of chapter 19 of title 38. Three new sections create a new non-renewable five-year term life insurance program for recently discharged veterans to be known as Veterans' Group Life Insurance. These sections are more fully described as follows:

§ 777. Veterans' Group Life Insurance

Subsection (a) authorizes the issuance of VGLI insurance in the maximum amount of $20,000 (separately, or in combination with SGLI) or in a lesser amount of $15,000, $10,000 or $5,000. In the event any person insured under VGLI again becomes insured under SGLI (through re-enlistment in a regular or reserve component of the uniformed services) he may, within 60 days, convert any or all of his VGLI policy to a permanent commercial whole life insurance policy as provided for in section 777(e).

Subsection (b) establishes that the new VGLI policy would (1) provide protection in case of death; (2) be issued on a nonrenewable five-year term basis; (3) have no cash, loan, paid-up, or extended values; (4) except as otherwise provided (i.e., in incompetent cases), lapse for nonpayment of premiums; and (5) contain such other terms and conditions such as the Administrator determines to be reasonable and practical which are not specifically provided for in the bill.

Subsection (c) provides that premiums for VGLI would be established under normal criteria set forth in sections 771 (a) and (c) relating to SGLI except that the Administrator may provide for average premiums for such age groupings as he may determine to be necessary according to sound actuarial principles. Also the premiums would include an amount to cover the administrative costs of the insurance to the insurer. Premiums would be payable by the insureds directly to the administrative office established by the primary insurer. Where a person who was mentally incompetent on the date he became insured under VGLI dies within one year of such date, the insurance will be deemed not to have lapsed for nonpayment of premiums and to be in force on the date of death. In such cases, the unpaid premiums will be deducted from the proceeds. Any person who claims eligibility for VGLI based on a disability incurred during duty shall be required to submit evidence of qualifying health conditions (uninsurability or total disability) and to submit to physical examinations at his own expense.

Subsection (d) provides that the beneficiary provisions contained in section 770 applicable to SGLI would be made applicable to VGLI as well, except that the designations would be filed with the administrative office instead of with the uniformed services. Designation of beneficiaries for SGLI filed with the uniformed services would be valid for VGLI but only for 60 days after VGLI became effective. Thereafter, the insurance would be payable in accordance with the order of beneficiaries specified unless a new designation for VGLI was filed with the administrative office. However, in incompetent cases, SGLI designations would be valid for VGLI until the disability is removed but not for more than five years.

Subsection (e) sets forth the conditions for conversion rights under VGLI in substantially the same form as currently exists under section 768(c) (which is repealed by this bill), for those insured under SGLI. Insured veterans are eligible to convert VGLI to an individual policy with a commercial insurer effective the day after VGLI terminates by reason of the expiration of the five-year term. However, persons who again become insured under SGLI would have 60 days thereafter to convert VGLI to an individual policy which would be effective no later than the 61st day after which he again became insured under SGLI. Veterans' Group Life Insurance would continue the present right of veterans under SGLI to continue their insurance after the period of postservice coverage by converting to an individual commercial cash value policy issued at standard rates by an insurance company participating in the program. As before, such policies must not contain any provisions which restrict future military service in the uniformed services of the United States. If the veteran is disabled, he may purchase such insurance without the payment of any extra premiums occasioned by his disability.

Subsection (f) states that the provisions in sections 771 (d) and (e) applicable to SGLI relating to determinations affecting the maximum expense in risk charges of the insurer and the accounting at the end of the policy would also be made applicable to VGLI. However, in such accounting the Administrator would be authorized to allocate claims and other costs among such programs of insurance according to accepted actuarial principles.

Subsection (g) provides that anyone whose SGLI coverage terminated prior to the date the VGLI program became effective, but less than 4 years prior to such date, shall be eligible for VGLI in an amount equal to the amount of his SGLI which was not converted to an individual policy. Such application must be made by an eligible veteran within 1 year from the effective date of the establishment of Veterans' Group Life Insurance programs.

The VGLI policy issued under this subsection shall be for a term equal to 5 years less the time elapsing between the termination of the insured's SGLI policy and the effective date of the establishment of the VGLI program. A veteran must, however, have at least one year of his five-year readjustment period remaining in order to qualify for VGLI coverage.

The VGLI policy is only effective upon application to the administrative office set up under section 766(b), plus payment of the required premium and proof of good health satisfactory to the administrative office. Any member who cannot meet the good health requirements solely because of a service-connected disability shall have this requirement waived. For each month of waiver, there shall be contributed to the insurer or insurers issuing this policy, from the appropriation "Compensation and Pensions, Veterans' Administration", an amount necessary to cover the cost of the insurance in excess of the premiums established for eligible veterans, including the cost of the excess mortality attributable to such veterans' service-connected disabilities.

The Administrator may establish a separate premium, age groupings for premium purposes, accounting, and reserves, for persons granted insurance under this subsection different from those established for other persons granted insurance under this section. This may be done as the Administrator determines such action is necessary according to sound actuarial principles. Appropriations to carry out the purpose of the section are hereby authorized.

§ 778. Reinstatement

This section provides that insurance coverage granted under this subchapter which has lapsed for nonpayment of premiums shall be reinstated under the terms and conditions prescribed by the Administrator.

§ 779. Incontestability

This section provides that coverage under SGLI or VGLI is incontestable from either the date of issue, reinstatement, or conversion. The only exceptions to incontestability are fraud, nonpayment of premium, and forfeiture for the reasons stipulated in section 773, which deal with forfeiture for reasons of guilt for mutiny, treason, spying, desertion, or refusal to perform service in the uniformed services or to wear the uniform of such service because of reasons of conscientious objection.

Subsection (b) amends the analysis of subchapter III of chapter 19 of title 38, United States Code, to reflect the addition of new sections 777, 778, and 779.

SECTION 10

Three minor technical amendments to chapter 19—the insurance chapter—of title 38, United States Code, are made by this section.

Clause 1 substitutes the term "National Oceanic and Atmospheric Administration" for the term "Environmental Science Services Administration" in paragraphs (1) and (6) of section 765. Those paragraphs define the term "uniformed services" for the purpose of eligibility for the Servicemen's Group Life Insurance program established by subchapter III of chapter 19. The Environmental Science Services Administration was merged with other components into the National Oceanic and Atmospheric Administration by Reorganization Plan No. 4 of 1970. These items amend section 765 to reflect that change.

Clause 2 amends section 769(d) to correct a grammatical error.

Clause 3 substitutes the term "Office of Management and Budget" for the term "Bureau of the Budget" in section 774. That section established the Advisory Council on Servicemen's Group Life Insurance and specifies the Director of Bureau of the Budget as one of its members. By Reorganization Plan No. 2 of 1970, that office was redesignated as the Office of Management and Budget. This clause amends section 774 to reflect that change.

SECTION 11

This section establishes the effective dates for the Veterans' Insurance Act of 1974. Amendments made relating to the Veterans' Special Term Life Insurance are to become effective upon the date of enactment of this act except that no dividend on such insurance shall be paid prior to January 1, 1974. Amendments relating to the extension of Servicemen's Group Life Insurance coverage on a full-time basis for certain members of the Reserves and National Guard and those increasing the maximum amount of Servicemen's Group Life Insurance are to become effective upon the date of enactment of this act. Finally, amendments to establish the Veterans' Group Life Insur-

ance program are to become effective on the first day of the third calendar month following the month in which the act is enacted.

Mr. HARTKE. Mr. President, I ask unanimous consent, that there be printed into the RECORD a letter to me from Frank Stover, the national legislative director of the Veterans of Foreign Wars of the United States. This letter presents articulately and most persuasively the reasons why the VFW so vigorously supports this bill.

There being no objection, the letter was ordered to be printed as follows:

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
January 17, 1974.

Hon. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Washington, D.C.

MY DEAR MR. CHAIRMAN: The Veterans of Foreign Wars is extremely pleased that your Committee has ordered favorably reported S. 1835, an insurance bill of wide interest to a large number of veterans of all wars as well as active duty military personnel including Reservists.

S. 1835 carries out a number of mandates and priority goals of the Veterans of Foreign Wars. The V.F.W. position is determined by the delegates to our National Conventions and pursuant to those mandates the Veterans of Foreign Wars lent its support and recommended favorable consideration of S. 1835 when hearings were held on the bill by your Subcommittee on Housing and Insurance on May 23, 1973.

Since the hearings, the Veterans of Foreign Wars has held an annual National Convention, at which time about 300 resolutions were adopted by the delegates, representing more than 1.8 million members. The purpose of this letter is to update the V.F.W.'s support and the reasons therefor regarding the several provisions in S. 1835, as reflected in the mandates approved at our New Orleans Convention last August.

First, the V.F.W. lent its support to the House-approved bill, H.R. 6574, which will provide full-time coverage under SGLI for the Reservists and National Guardsmen and some retirees, which is one of the provisions of S. 1835. The all-volunteer Army concept has replaced compulsory military service as previously prevailed under the Draft Act. Part of the success of the all-volunteer Armed Forces concept will be maintaining the authorized levels of the Reservists and National Guard.

With the military draft ended, there are decreasing numbers who are opting to join the Reserves and National Guard. The offer of full-time low cost life insurance coverage for prospective members of the Reserves would be in the national interest because it could be the deciding factor for a young person to join the Reserves. For these reasons the V.F.W. supports authorizing full-time SGLI coverage for members of the Reserves.

Secondly, the maximum coverage under SGLI for Reservists and active-duty members of the Armed Forces should be increased. Back in 1940 when the NSLI program was initially authorized, the maximum coverage was $10,000. It has been increased only once since that time and then only to $15,000. During the intervening years since 1940 active-duty pay scales have gone almost out of sight compared to pre-World War II pay scales. Life insurance protection for active-duty servicemen is out of step with active-duty pay. Time is long overdue to increase the protection of our active-duty servicemen to the maximum amount of at least $20,000.

Thirdly, the National Service Life Insurance program includes some World War I, all World War II, and Korean veterans. When the Korean war began because of new circumstances, a special NSLI program was authorized. However, Congress later provided that any excess money paid in premiums to this special insurance fund would not be refunded as dividends, as is usually done, but would be transferred to the United States Treasury. This proved to be most discriminating toward veterans holding these policies, since they were forced to pay a premium based on an outdated mortality table in excess of the protection they were receiving under the life insurance policies issued to them.

There are tens of thousands of these Korean war veterans who have been overcharged all these years on their special NSLI policies. The V.F.W. is convinced Congress never intended the Veterans Administration to overcharge these Korean veterans. It is understood that about $41 million has accumulated in excess premium payments and that these funds have been transferred to the United States Treasury, which money is used for general purposes. It is most pleasing that one of the provisions of S. 1835 will authorize dividends be paid on these special NSLI policies.

Fourth, another long-held objective of the V.F.W. is to establish a life insurance program for Vietnam veterans similar to the NSLI program to which World War II and Korean veterans were entitled to participate in. Practically every Vietnam veteran needs and wants life insurance protection. It is fitting and proper, therefore, that during their readjustment years their government assist these veterans by providing an opportunity for them to obtain low-cost life insurance, similar to the SGLI protection which was provided for them while on active duty. A provision in S. 1835 would establish a Vietnam group life insurance program (VGLI) by automatic conversion of SGLI to a non-renewable five-year term policy. At the end of the five years, the new VGLI could be converted to an individual policy of a permanent plan insurance with a commercial company under the terms and conditions which now apply when a veteran is separated from the Armed Forces and converts his SGLI policy to a permanent plan.

Life insurance coverage for a large number of Vietnam veterans can fairly be described as a readjustment benefit. Many Vietnam veterans are married and have family responsibilities. Many are attending school under the GI Bill, where all of their GI Bill checks are spent on education and training. The first five years are generally the hardest for a veteran. A five-year term low-cost life insurance policy would be extremely helpful for these young veterans at a crucial period during their lives.

The V.F.W., therefore, is pleased to support this VGLI concept in S. 1835 and hopes that such approval by the Congress will be the basis for extending the program along the lines of the NSLI program for World War II veterans, which has proved to be so successful.

The V.F.W. commends your Committee for taking up and reporting this bill to the full Senate.

For the reasons stated above, the V.F.W. is hopeful that the full Senate will approve S. 1835. Your support and vote for these views and recommendations carrying out Veterans of Foreign Wars mandates will be deeply appreciated.

With kind personal regards, I am
Sincerely,

FRANCIS W. STOVER,
Director, National Legislative Service.

Mr. HARTKE. Mr. President, the American Legion fully supports the provisions of S. 1835 and I ask unanimous consent that a telegram from Herald E. Stringer, director of the Legion's National Legislative Commission be included in the RECORD at this point.

There being no objection, the telegram was ordered to be printed in the RECORD as follows:

[TELEGRAM]

MARCH 14, 1974.

Hon. VANCE HARTKE,
U.S. Senate, Russell Senate Office Building, Washington, D.C.:

This is in further reference to our statement on S. 1835 presented to the Subcommittee on Housing and Insurance, Senate Committee on Veterans Affairs, May 23, 1973.

This proposed legislation would eliminate an existing inequity in Veterans Special Life Insurance by authorizing the Administrator of Veterans Affairs to return premium overcharges and interest earnings to the policyholder. It would increase the amount of servicemen's group life insurance that may be carried by members of the active service, extend such coverage to members of the active reserves, national guard and the retired reserve through age 60, and provide a post-service group life insurance program for Vietnam veterans separated from the Armed Services less than five years to assist in their readjustment to civilian life.

The American Legion fully supports the provisions of S. 1835 and urges its early enactment.

HERALD E. STRINGER,
Director, National Legislative Commission.

Mr. HARTKE. Mr. President, as part of its overall review of VA administered and supervised insurance policies, the committee also received substantial testimony and pertinent related documents concerning problems faced by veterans seeking to convert their SGLI policies to a participating commercial whole life insurance company policy. In this connection, the committee heard testimony from Dr. Joseph M. Belth, professor of insurance at the Graduate School of Business at Indiana University and who is president of the American Risk Insurance Association and also author of "Life Insurance: A Consumer's Handbook." In his testimony supporting adoption of S. 1835, Dr. Belth noted that:

There are at least three ways in which the Vietnam-era veterans have been treated in a less desirable manner than their earlier counterparts. First, the coverage must be obtained from commercial companies, and this generally involves costs substantially in excess of what would be required if the coverage were offered by the VA. Second, they are not allowed to buy term insurance to exercise their conversion privilege, despite the fact that term insurance in many family situations is an appropriate form of coverage. Third, they have not been provided with any guidance to assist them in making a wise choice among the many commercial firms participating in the SGLI program as converter companies.

Enactment of S. 1835 will provide veterans' group life insurance, a 5-year low-cost term insurance policy during the veteran's readjustment period. Dr. Belth directed the thrust of his testimony toward the problem of the veteran obtaining accurate and relevant information when exercising his insurance conversion rights, to one of the 600 commercial life insurance companies cur-

rently participating in the Veterans' Administration SGLI program—and those expected to participate in the VGLI program. He observed that once a veteran has decided to exercise his conversion privilege, "two factors are of primary importance in his choice of a company—financial strength and price." As to financial strength, Belth noted that according to the best life insurance reports there are substantial variations as to the financial strength of the participating companies in the SGLI program and he urged that the VA provide the veteran with information concerning the financial strength of the companies. As to cost of policies, Belth noted that they vary widely on straight life insurance policies of the type which is available to the veteran converting his SGLI—or VGLI—policies.

In 1971, the National Underwriter Co. invited a large number of companies to furnish price information. Significantly more than half of SGLI converter life insurance companies did not submit data. Of the 286 converter companies that did, however, the information revealed that the 20-year, 4-percent interest adjusted cost on a $10,000 participating straight life policy ranged from $2.34 to $6.53 for men aged 25; from $3.69 to $9.50 for men aged 35; and from $7.47 to $17.02 for men aged 45. By contrast it should be noted that on the basis of the VA's 1970 dividend scale, the 20-year 4-percent interest adjusted cost for the NSLI straight life policy of the veteran aged 45 would be $4.92. Since the foregoing costs represent cost per year per $1,000 in face amount of insurance, the price differential for veterans seeking to buy essentially the same insurance can vary widely. In the previously mentioned example it amounts to a difference of $81.80 a year in premiums for the man aged 25; $166.31 for the man aged 35; and over $190.46 for the man aged 45.

The price information for the converter companies on which such information is shown in "Cost Facts on Life Insurance" is summarized in the following table:

TABLE 1.—DISTRIBUTION OF SELECTED POLICIES, BY INTEREST ADJUSTED COSTS ($10,000 PARTICIPATING AND NONPARTICIPATING STRAIGHT-LIFE POLICIES ISSUED IN 1970 BY VARIOUS CONVERTED COMPANIES TO MALES AGED 25, 35, AND 45)

Interest adjusted costs [1]	Number of policies					
	Participating			Nonparticipating		
	Age 25	Age 35	Age 45	Age 25	Age 35	Age 45
$2 to $2.99	6					
$3 to $3.99	56	1		1		
$4 to $4.99	64	12		41		
$5 to $5.99	37	54		149	1	
$6 to $6.99	6	45		17	14	
$7 to $7.99		45	1	5	77	
$8 to $8.99		15	2	0	111	
$9 to $9.99		1	23	0	10	
$10 to $10.99			48	1	1	
$11 to $11.99			12			3
$12 to $12.99			28			29
$13 to $13.99			34			76
$14 to $14.99			12			88
$15 to $15.99			1			20
$16 and over			1			1
Total policies	169	173	171	214	214	217
Low	$2.34	$3.69	$7.47	$3.13	$5.51	$11.02
1st quartile	3.79	5.64	10.45	5.07	7.70	13.53
Median	4.25	6.39	11.50	5.44	8.09	14.01
3d quartile	5.10	7.44	13.12	5.76	8.45	14.47
High	6.53	9.50	17.02	10.01	10.12	20.56
Mean	4.36	6.51	11.70	5.44	8.03	13.96
Standard deviation	.85	1.12	1.64	.67	.66	.96
Coefficient of variation (percent)	19.5	17.2	14.0	12.3	8.2	6.9

[1] 20-year average annual interest adjusted costs per $1,000 of face amount, assuming 4-percent interest.

Given these substantial cost differences and his continuing investigation of the matter, it is understandable that Dr. Belth came to the conclusion that:

Vietnam Era veterans receive inadequate and frequently deceptive information about life insurance, as do life insurance consumers in general. Many sales presentations involve little if any price information. Often the presentation is based on emotional considerations, and about the only kind of price information that enters into the presentation is the size of the first premium. The life insurance market is characterized not only by an absence of reliable price information, but also by the presence of deceptive price information. In my opinion, the deceptive sales practices found in the life insurance industry constitute a national scandal.

Professor Belth urges that appropriate action be taken to insure that Vietnam era veterans have access to accurate, adequate, and relevant information on which to base a rational determination in the exercise of their conversion rights.

Professor Belth proposed that information disclosed to the veteran at the time of his conversion should include: First, the annual premium to be paid each year; second, the amount payable on death in any year; third, the amount payable on discontinuation of a policy in any year; fourth, the dividends payable each year under a company's current dividend scale; fifth, the amount of life insurance protection in effect each year; sixth, the price of each $1,000 of life insurance protection each year; seventh, summary information allowing the veteran to see the extent to which he is buying protection and the extent to which he is accumulating savings; eighth, summary information allowing the veteran to make comparisons among similar policies issued by different companies if he wishes to do so; and ninth, certain other important information including the cost of policy loans and the cost of paying premiums other than annually. He suggested that this information could be given to the veteran at or prior to the delivery of a conversion policy and further that information should be contained in the premium that the veteran receives on each yearly anniversary of his conversion policy. A two-page form could contain annual information on the first page and summary information on the second page.

Testimony and other documents submitted to the committee revealed an even more fundamental problem facing veterans attempting to intelligently choose an insurance company when exercising their conversion rights which relate to the manner in which insurance companies "cost" their policies.

How insurance companies "cost" their policies has been a major concern for some time of my distinguished colleague, Senator HART, chairman of the Subcommittee on Antitrust and Monopoly. My hardworking colleague and senior Senator from the neighboring State of Michigan, noted as early as 1968 in his speech before life insurance company lawyers that there is no competition in the life insurance business since the pricing structure is so complex that buyers cannot compare policies or determine what they will ultimately pay for coverage. Senator HART noted that the premium was no guide because it does not necessarily reflect the actual price—most particularly in the kinds of policies most often sold, that is straight life also known as whole life, permanent, and "cash value." Unlike term insurance which offers "pure protection," straight life combines "savings" aspects as well. With such policies it is usually quite difficult for the buyer to determine how much of his money goes into the savings aspect and how much he is paying for protection.

Much of the controversy over how to provide the buyer with more adequate and relevant information has centered on the insurance industry's use of the traditional or "net cost" method of pricing. The net cost method of comparing insurance costs simply adds all the premiums you pay over a period of time—usually 20 years—and then subtracts what you get back either as dividends and/or cash value you receive by turning in your policy at the end of the period. The resulting figure is a simple means by which to determine "net cost." Unfortunately, such a method ignores critical factors of time and interest.

Under the net cost method, a policy for which premiums start out at $400 a year and decrease gradually to $200 would look just as good as a policy for which premiums start out at $200 and increase gradually to $400. Yet, the second policy is a better buy because more money would be available for a longer period of time to the insured for investment elsewhere. Similarly, a policy which pays dividends early in the life of a policy is a better buy than that which pays a larger amount near the end of

the life of the policy. The interest-adjusted method of computing insurance costs takes these factors into account.

Responding to criticisms of the traditional net cost method, the insurance industry in 1961 established a Joint Special Committee on Life Insurance Costs, chaired by Mr. E. J. Moorhead, vice president of Integon Life Insurance Co., and a member of the Veterans' Administration Actuarial Advisory Committee.

In its report issued in May 1970, the committee recommended the interest-adjusted cost method as the "preferred" method to be used in making cost comparisons among similar policies issued by different companies. The committee reported:

Our Committee has concluded that the method called in this report the interest-adjusted method, is the most suitable of all those of which we have knowledge. Our principal reasons for this opinion are:

1. It takes time of payment into account.
2. Of all methods that take time of payment into account, it is the easiest to understand.
3. It is possible to use this method without having recourse to advanced mathematics.
4. It does not suggest a degree of accuracy that is beyond that which is justified by the circumstances.
5. It is sufficiently similar to the traditional method so that transition could be accomplished with minimum confusion.

Consumer Union which has also endorsed the interest-adjusted method notes that:

It works much like the traditional method, with a key difference: Interest is factored in.

For the sake of uniformity, most authorities use a 4-percent interest factor. That means that 4-percent interest is added to the first year's premium; then the second year's premium is added to the total, and 4-percent interest is added on the new sum; and so on for twenty years or however long a period is being evaluated. The same thing is done with dividends. (Because of the uncertainties involved in projecting future dividends, the Committee recommended the method not be used for comparison of participating companies involving periods of more than twenty years.) Then you subtract dividends in cash value from the premiums just as before.

Following the procedure above gives you the "interest-adjusted net cost." To get the interest-adjusted net cost index, you then divide by a constant period. The result is the amount of money you would have to deposit every year in an account bearing 4-percent interest to come up at the end of twenty years with a sum equal to the net cost.

That part sounds complicated. But the index also has an intuitive meaning. It is simply the average age of true cost of the protection offered by your policy.

Subsequent to the report of the Joint Committee on Life Insurance Costs, the Pennsylvania State Insurance Department under Commissioner Herbert Denenberg, issued "A Shoppers Guide to Life Insurance," which employs an interest-adjusted index and compares the cost of the protection of straight life insurance policies for insurance companies doing business in that State.

Effective January 1, 1973, the Wisconsin Insurance Department ruled that life insurance companies operating in Wisconsin were required to make interest-adjusted price figures available to buyers at or prior to delivery of the policy. Also in February of this past year, the Senate Subcommittee on Antitrust and Monopoly held 4 days of hearings concerning the pricing of insurance policies. Subsequent to these hearings, the American Life Insurance Association adopted in April 1973, a resolution stating that:

Member companies have the responsibility to provide the most helpful information concerning costs, values, and features of their policies to buyers so that they can make an informed and intelligent purchase decision. The interest-adjusted method was considered by the Association as the "most practical indeces of all the various methods developed so far."

At its annual meeting during the week of June 4, 1973, the National Association of Insurance Commissioners, an organization composed of all State insurance regulatory officials, adopted a task force report which incorporates a model regulation on the life insurance interest-adjusted method and on deceptive practices in life insurance. The model regulation on the interest-adjusted method would require that upon the request of the sales prospect the insurance agent or the insurance company would be required to furnish the interest-adjusted index to the consumer. At the same time, the Special Assistant to the President for Consumer Affairs, Virginia Knauer, urged the adoption of the interest-adjusted method by insurance companies and renewed her criticism of the industry for its unwillingness to provide meaningful cost comparisons to buyers of life insurance who she said were "shopping blind."

And, in a letter to the National Association of Insurance Commissioners, President Nixon wrote that he had "long advocated the provision of full and accurate information to assist each consumer in buying wisely." And, although not endorsing any particular disclosure system, he indicated that the interest-adjutsed method, which the Commissioners were considering adopting on an interim basis was a "significant step forward in meeting this administration's priority goal of adequate information."

Subsequent to its February hearings, the committee on Antitrust and Monopoly submitted questionnaires to numerous insurance companies throughout the United States with regard to their position on the interest-adjusted method recommended by the Joint Special Committee on Life Insurance Costs. Responses indicate that insurance companies which received some $13.8 million in premiums in 1971 or approximately 87 percent of all premiums collected that year have endorsed the interest-adjusted method.

Notwithstanding the foregoing, the interest-adjusted method as both its critics and supporters agree is not perfect. As Herbert Denenberg, Pennsylvania's State Insurance Commissioner, stated in Senate testimony recently:

Producing a perfect cost index may be the equivalent of squaring a circle. The public can't wait for the circle to be squared, and it's tired of waiting for price disclosure. The critics of full disclosure to the public would await the perfect index. They are willing to be quite patient.

Consumer Union, which recently produced its own index of insurance companies, while noting that the interest-adjusted method is "imperfect," added that it believed that it was the "best tool available now for cost comparison and vastly superior to the 'thoroughly discredited net cost method' ".

Consumers Union noted that:

Among the flaws of the interest-adjusted method are these:

The choice of a specific period for comparison, such as 10 or 20 years, is arbitrary. Some companies might look better or worse if a longer or shorter period were compared. To a slight extent, companies can design their rate and dividend schedules to make themselves look good in a 20-year comparison. The interest-adjusted method ignores mortality rates and policy lapse rates—factors that could be used to produce a more sophisticated index. And, of course, any cost comparison method assumes that the items being compared are for all practical purposes identical.

CU did its best to make sure we were comparing apples with apples and oranges with oranges. But the policies we rate within each category do contain subtle differences—in the convertibility clauses, for example, and especially in the generosity of a contractual benefit called "waiver of premium in the event of disability." We believe these differences to be relatively fine points. However, because of the overall limitations of the interest-adjusted method, you should ignore small differences in cost between policies shown in our tables.

The range of policy costs, however, is so wide that clear distinctions between companies can still be made from our tables. A glance at the figures will show, for example, that the interest-adjusted cost of a $100,000 participating five-year term policy bought by a 25-year-old man can range from $254 to $489—a variation of 92 percent. And the cost of whole-life policies can vary even more.

The wide cost variations previously noted by Dr. Belth in his testimony before our committee concerning the replacement policies offered by SGLI participating insurance companies confirms the wisdom of using the interest-adjusted approach as a useful tool in helping the veteran make a rational choice among competing policies.

Unfortunately, the Veterans' Administration has been reluctant in responding to legitimate information needs of the individual veteran faced with the prospect of choosing a policy with one of the over 600 commercial life insurance companies participating in Government supervised servicemen's group life insurance within a short period of time. Although the VA's response has been disappointing, it is not altogether unanticipated or atypical for a bureaucratic organization of its size and established ways. As early as 1968, Senator HART, chairman of the Senate Subcommittee on Antitrust and Monopoly, wrote the Administrator of the Veterans' Administration suggesting that because of the enormous differences in prices charged for $10,000 straight life policies by participating companies that it would be "appropriate that the VA compile price information from the companies and put it in a form so that Vietnam veterans can

compare readily the policies offered." The Administrator declined questioning the propriety of ranking companies solely on the price of insurance as well as questioning the use of the interest-adjusted costing method.

In an appearance before the Senate Subcommittee on Antitrust and Monopoly on February 20, 1973, Ralph Nader was sharply critical of the Veterans' Administration's reluctance to enable the veteran to have more adequate information in choosing among the converting companies. At hearings before the Veterans' Affairs Subcommittee on Housing and Insurance on May 23d, however, there were indications that the Veterans' Administration was significantly reassessing its position. VA representatives testified that their actuaries "used the traditional net cost method because they were trained in that like the other actuaries in this country." However, the VA representatives then stated that the "VA was not wedded to the traditional cost method" and could see "certain defects in it." Acknowledging that "there is every reason to believe that we are approaching if not a consensus with respect to the interest-adjusted method, certainly a growing approval of its use," the VA representative went on to say:

The interest-adjusted method does make provision for the timing of dividends and the counting of interest. We agreed at the time that hereafter we would use the interest-adjusted method as the preferred method whenever we were making cost comparisons on our own policies and this was conveyed to other key officials of the insurance service.

And, in October 1973, the VA revised its first pamphlet, VA Pamphlet No. 29–3, dealing with National Service Life Insurance to reflect the interest adjusted method of costing insurance. But, this is only a first step. Clearly it is time for the Veterans' Administration to abandon the posture of the laggard and somewhat dull follower and become the leader in insuring that veterans have access to clear, accurate, reliable, and adequate information about the cost and value of the policies they buy.

Mr. President, the hearings and documents submitted for the consideration of the committee establish conclusively, I believe, that Vietnam era veterans are often confronted with inadequate or deceptive information concerning life insurance policies at the time they exercise their SGLI conversion rights. Veterans have a right to easy access to accurate, adequate, and relevant information with respect to the price and benefits of policies issued by qualified commercial life insurance companies participating in the SGLI program. The Veterans' Administration currently possesses ample statutory authority to issue the necessary regulations guaranteeing the veteran easy access to more adequate information about those insurance policies which often involve substantial commitments of the veteran's financial resources. As I noted, the Veterans' Administration's recent adoption of pamphlets using the interest-adjusted costing method of life insurance such as NSLI is a necessary and important first step. More needs to be done. Such procedures should be applied to all Government administered or supervised insurance policies.

If our policy is to be one in which only Government supervised life insurance is to be offered for a limited period of time, following which the veteran's only option is conversion to a participating commercial life insurance company policy, then the Government has an obligation to insure that the veteran is provided with all the relevant information he needs in order to make a prudent and rational decision. If we fail to do this, then it seems to me that the only equitable course of action for Congress would be to create Government administered life insurance programs for our Vietnam era veterans similar to those offered veterans of previous wars.

Mr. President, I urge my colleagues to support S. 1835, the Veterans' Insurance Act of 1974.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears no objection, and the committee amendments are agreed to en bloc. The bill is open to further amendment.

Mr. ALLEN. Mr. President, I submit as an amendment to S. 1835, the provisions of S. 383, as reported by the Committee on Armed Services.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

SECTION 1. (a) Chapter 13 of title 37, United States Code, is amended by adding at the end thereof a new section as follows:

"§ 707. Allotments: members of the National Guard

"(a) The Secretary of the Army or the Secretary of the Air Force, as the case may be, may allow a member of the National Guard who is not on active duty to make allotments from his pay under sections 204 and 206 of this title for the payment of premiums under a group life insurance program sponsored by the military department of the State in which such member holds his National Guard membership or by the National Guard association of such State if the State or association concerned has agreed in writing to reimburse the United States for all costs incurred by the United States in providing for such allotments. The amount of such costs and procedures for reimbursements shall be determined by the Secretary of Defense and his determination shall be conclusive. All amounts of reimbursements for such costs received by the United States from a State or an association shall be credited to the appropriations or funds against which charges have been made for such costs."

(b) The United States shall not be liable for any losses or damages suffered by any person as the result of any error made by any officer or employee of the United States in administering the allotment program authorized under subsection (a).

(c) The table of sections at the beginning of chaper 13 of such title is amended by adding at the end thereof a new item as follows:

"707. Allotments: members of the National Guard.".

Mr. ALLEN. Mr. President, this amendment would allow the Department of Defense to set up an allotment system for National Guard insurance, group insurance in private companies, with deductions to be made from the pay of National Guardsmen, and with the overhead to be paid by the National Guard Association.

This has been approved by the Committee on Armed Services, and in the report the Department of Defense has stated it interposes no objection to the bill.

Mr. GRIFFIN. Mr. President, before the question is put, I would like to ask the chairman of the Committee on Veterans' Affairs a question. I understand these are amendments to the House bill that we are considering.

Mr. HARTKE. The amendment of the Senator from Alabama is not in the House bill, but is a seperate measure. Part of the substance is in the House bill which was referred to the Committee on Armed Services. That committee held hearing and approved of the measure. They also approve of this action as an amendment to the veterans bill.

Mr. GRIFFIN. A number of Senators have indicated that when this matter comes up they want to be able to vote for it, especially the increase in veterans life insurance to $20,000.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. GRIFFIN. I yield.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays for final passage, the vote to occur after disposition of the amendment by the Senator from Kansas (Mr. DOLE) to the campaign financing bill.

The PRESIDING OFFICER. Is there objection?

Mr. MANSFIELD. On the House bill.

Mr. HARTKE. On the House bill.

The PRESIDING OFFICER. Is there objection that the yeas and nays be ordered?

Mr. MANSFIELD. On the House bill.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HARTKE. Mr. President, S. 383, introduced by Senator ALLEN, was originally referred to the Veterans' Affairs Committee but was later discharged and referred to the Committee on Armed Services which has jurisdiction over the subject matter of the bill. This measure would allow the Secretaries of the Army and Air Force to permit allotments from the pay of members of the National Guard, who are not on active duty, to make payment for group life insurance premiums of programs sponsored by the State military department or State association of the Guard.

The Armed Services Committee, after conducting a review of S. 383, favorably reported an amended bill on April 3, to provide that State Guard associations would be responsible to the Federal Government for the full cost of administering this program and that the United States would not be liable for any damages arising from this administrative function. S. 383, as reported, would not result in increased budgetary requirements for the Department of Defense. No guardsman would be required to take the State or Guard association spon-

sored life insurance or to use this allotment provision.

In view of the action of the Armed Services Committee and in view of the amendments made by them, the Veterans' Affairs Committee is prepared at this time to accept S. 383 as reported as an amendment to the Veterans' Insurance Act of 1974.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Alabama.

The amendment was agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Veterans' Affairs be discharged from further consideration of H.R. 6574, that H.R. 6574 be made the pending business, and that the text of S. 1835, as amended, be substituted for the text of H.R. 6574.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

H.R. 6574 will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 6574) to amend title 38, United State Code, to encourage persons to join and remain in the Reserves and National Guard by providing full-time coverage under Servicemen's Group Life Insurance for such members and certain members of the Retired Reserve, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the House bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all after the enacting clause in H.R. 6574 be stricken, and that the text of S. 1835, as amended, be substituted in lieu thereof.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on the engrossment of the amendment.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that S. 1835 and S. 383 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. Mr. President, H.R. 6574, as amended, is now the pending business and we have proceeded to the point where we have had third reading. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ALLEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLEN. Mr. President, the provisions of S. 383 were added to S. 1835, and then the House bill was brought up.

Mr. MANSFIELD. That is correct.

Mr. ALLEN. I do not recall hearing the provisions of S. 1835, as amended, added as a substitute for H.R. 6574.

The PRESIDING OFFICER. It was a part of the unanimous consent request.

Mr. ALLEN. Very well, I thank the Chair.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

IDENTIFICATION OF TAX-SUPPORTED POLITICAL ADVERTISEMENTS

Mr. DOLE. Mr. President, if campaigns for Federal office are to become federally financed projects like housing developments, highways, and flood control levees then they deserve to be accorded the same treatment. Therefore, I am introducing an amendment to the so-called public financing bill that will require tax-supported political materials to be clearly identified and called to the attention of the American people.

My amendment requires that any candidate for Congress, the Senate, President or Vice President who accepts Federal tax funds for his campaign shall print on all of his campaign literature, advertisements, bumper stickers, billboards, or matchbooks a clear notice that they are paid for with tax money.

The Federal Government has developed a very useful policy of identifying tax-supported projects, usually by means of a billboard or sign erected on the project site. Frequently, these notices give the total cost of the project, the Federal share, the local or State share, and a brief description of the project. Perhaps such great detail would not be practical in the case of tax-supported political campaigns, but the principle is valid. So if the Congress is going to turn itself and the entire electoral system into a massive Federal grant-in-aid program, it is entirely fitting and proper that the American people be shown how their tax dollars are being spent.

If candidate X is going to be given so many hundreds of thousands of dollars from the U.S. Treasury, then I believe the American people are entitled to see the fruits of their tax dollars clearly identified. It would be no great inconvenience to tax-supported candidates to include such a notice on their bumper stickers, their buttons, their newspaper ads, and so forth. And I believe the public has a right to be advised of such expenditures.

My amendment requiring this identification is simple and straightforward and it would certainly provide more immediate and valuable information on campaign expenditures to the average taxpayer than some obscure bookkeeping entry in one of the many reports required of political candidates.

When Mr. and Mrs. Taxpayer see their tax dollars being spent on candidate X's billboards, candidate Y's newspaper advertisements and candidate Z's yard signs, it will give them a much clearer idea about the flow of their taxes and the uses to which they are put.

So I would hope the Senate will adopt this amendment and urge my colleagues to do so. The American people should see where their taxes go, and Federal projects—whether dams or bridges or foreign aid or political campaigns—should be identified.

Mr. GRIFFIN. Mr. President, will the Senator yield for a question for the purpose of legislative history?

Mr. DOLE. I yield.

Mr. GRIFFIN. Of course, I wish there would be some indication that this notice had to be in large readable print, and I think the intention would be it could not be in small print.

Mr. DOLE. No, it could not be larger than your name, of course, but the public should be able to read it.

Mr. GRIFFIN. Would it be acceptable to have a rubber stamp, so they could stamp across the literature, "Paid for with Governments funds."

Mr. DOLE. That would be appropriate.

Mr. GRIFFIN. I thank the Senator. That clarifies the question.

Mr. CANNON. Mr. President, I yield myself 1 minute simply to point out that the statement itself calls for a false statement. A person elected under title I in the primary campaign would be entitled only to 50-percent matching funds. Therefore, the statement on the billboard or in television advertising or in newspaper advertising or in the brochures he puts out that it is paid for by public financing only would be in error. It would be paid for only in part by public funds if he elected to take advantage of title I.

I think what we are seeing here is a filibuster by amendment, and this is just another one.

I reserve the remainder of my time.

Mr. DOLE. Mr. President, I am not part of a filibuster. I voted for cloture, as the Senator knows. I had in my original amendment "paid for in whole or in part by Federal tax funds." I think that is the intent. If only 50 percent was paid for in tax funds, the statement would contain "only 50 percent," but I did not know how to draft that or how much each of us would take. At least, for legislative history, that would be the intent and the hope.

I could perhaps modify my amendment to show the percentage of the tax funds.

I ask consent to have the modification made to the effect that, if it is not paid for wholly by tax funds, the part that is be shown.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Who yields time?

Mr. CANNON. Mr. President, I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. Will the Senator from Kansas have his amendment sent to the desk?

Mr. CANNON. Mr. President, I would also point out that the percentage could be different in every instance, because one person may take advantage of it to

the extent of 50 percent, and another person may take advantage of it to the extent of 20 percent. It relates to the amount of funds he is able to raise for the purpose of matching, so it could be different in every instance. It is a very bad amendment.

Mr. DOLE. Mr. President, the Senator from Nevada is entitled to his opinion, but I believe my amendment is entirely appropriate. I might say, as a matter of clarification, to avoid that possibility, I have gone back to the original language of the amendment, which I think would clarify it.

Mr. GRIFFIN. Mr. President, may I ask that the clerk read the modified amendment?

The PRESIDING OFFICER. The clerk will read the amendment as modified.

The second assistant legislative clerk proceeded to read the amendment, as modified.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the remainder of the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, as modified, is as follows:

On page 39, between lines 20 and 21 insert the following new subsection:

"(c) Any published political advertisement of a candidate electing to receive payments under Title I of this Act shall contain on the face or front page thereof the following notice:

"'Paid for in whole or in part by Federal tax funds.'"

On page 39, line 21 strike out "(c)" and insert in lieu thereof "(d)".

On page 40, line 3, strike out "(d)" and insert in lieu thereof "(e)."

On page 40, line 3, strike out "(d)" and insert in lieu thereof "(e)."

On page 40, line 11, strike out "(e)" and insert in lieu thereof "(f)."

Mr. DOLE. Mr. President, I yield back the remainder of my time.

Mr. CANNON. Mr. President, before I yield back the remainder of my time, let me say that, as the Senator pointed out correctly, he voted for cloture the other day. I hope he does so tomorrow.

I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Kansas (Mr. DOLE), as modified. The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from Idaho (Mr. CHURCH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Iowa (Mr. HUGHES), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from Wyoming (Mr. MCGEE), and the Senator from Ohio (Mr. METZENBAUM) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. BENNETT), the Senator from Hawaii (Mr. FONG), the Senator from Florida (Mr. GURNEY), the Senator from New York (Mr. JAVITS), the Senator from Idaho (Mr. MCCLURE), the Senator from Tennessee (Mr. BROCK), and the Senator from New York (Mr. BUCKLEY) are necessarily absent.

I also announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Virginia (Mr. WILLIAM L. SCOTT), and the Senator from Ohio (Mr. TAFT) are absent on official business.

The result was announced—yeas 30, nays 48, as follows:

[No. 123 Leg.]

YEAS—30

Allen	Ervin	Packwood
Baker	Fannin	Percy
Bartlett	Goldwater	Randolph
Biden	Griffin	Ribicoff
Byrd, Harry F., Jr.	Hansen	Talmadge
Byrd, Robert C.	Helms	Thurmond
Cotton	Hruska	Tower
Curtis	Mansfield	Weicker
Dole	McClellan	Young
Dominick	McIntyre	
	Nunn	

NAYS—48

Abourezk	Haskell	Nelson
Aiken	Hatfield	Pastore
Beall	Hathaway	Pearson
Bible	Huddleston	Pell
Brooke	Humphrey	Proxmire
Burdick	Inouye	Roth
Cannon	Jackson	Schweiker
Case	Johnston	Scott, Hugh
Chiles	Magnuson	Sparkman
Clark	Mathias	Stafford
Cook	McGovern	Stennis
Cranston	Metcalf	Stevens
Domenici	Mondale	Stevenson
Eagleton	Montoya	Symington
Hart	Moss	Tunney
Hartke	Muskie	Williams

NOT VOTING—22

Bayh	Fong	Long
Bellmon	Fulbright	McClure
Bennett	Gravel	McGee
Bentsen	Gurney	Metzenbaum
Brock	Hollings	Scott, William L.
Buckley	Hughes	Taft
Church	Javits	
Eastland	Kennedy	

So Mr. DOLE's amendment, as modified, was rejected.

The PRESIDING OFFICER. The Senate will be in order.

Mr. MANSFIELD. Mr. President, if I may have the attention of the Senate, I ask unanimous consent that on the vote which will follow immediately, there be a time limitation of 10 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MANSFIELD. That will be the last vote tonight. I understand that the distinguished Senator from Alabama will call up an amendment which will be the pending business tomorrow. At this time, I ask unanimous consent that there be a time limitation of 1 hour on the Allen amendment to be called up, the time to be equally divided between and controlled by the sponsor of the amendment, the distinguished Senator from Alabama (Mr. ALLEN), and the manager of the bill, the distinguished Senator from Nevada (Mr. CANNON).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, the amendment is No. 1141, and it would reduce the overall amount that can be expended very greatly.

The printed amendment by that number has certain figures in it; I ask unanimous consent that I may modify those figures slightly, even though the time limitation has been agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, as modified, is as follows:

On page 13, line 23, strike out "10 cents" and insert in lieu thereof "8 cents".

On page 15, line 9, strike out "15 cents" and insert in lieu thereof "12 cents".

Mr. MANSFIELD. Does the Senator request the yeas and nays?

Mr. ALLEN. Yes.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order at this time to order the yeas and nays on the Allen amendment which will be called up.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HARTKE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HARTKE. Will there be a rollcall vote now on the insurance bill?

The PRESIDING OFFICER. The Senator is correct.

VETERANS INSURANCE ACT OF 1974

The Senate resumed the consideration of the bill H.R. 6574 to amend title 38, United States Code, to increase the maximum amount of Servicemen's Group Life Insurance to $20,000, to provide full-time coverage thereunder for certain members of the Reserves and National Guard, to authorize the conversion of such insurance to Veterans' Group Life Insurance, and for other purposes.

Mr. HARRY F. BYRD, JR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HARRY F. BYRD, JR. Is H.R. 6574 the pending business?

The PRESIDING OFFICER. The pending business now is H.R. 6574 as amended.

Mr. HARRY F. BYRD, JR. As amended by what?

The PRESIDING OFFICER. As amended by the substantive language of S. 383 and S. 1835.

Mr. HARRY F. BYRD, JR. A further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HARRY F. BYRD, JR. Am I correct in my understanding, then, that S. 1835 and S. 383 have been added to the House bill, or do they take the place of the House bill?

The PRESIDING OFFICER. They have replaced the language in the House bill.

Mr. HARRY F. BYRD, JR. Insofar as the substance of S. 383 is concerned, it has not changed and there is no cost to the Government involved in that amendment?

Mr. ALLEN. We are taking it back as it came from the Senate committee.

Mr. HARRY F. BYRD, JR. I thank the Senator from Alabama and the Senator from Montana, and I thank the Chair.

Mr. ALLEN. Mr. President, I ask unanimous consent that the names of the following Senators who were cosponsors of S. 383 be added to the amendment which the Senator from Alabama offered to S. 1835: Mr. EASTLAND, Mr. DOLE, Mr. THURMOND, and Mr. STENNIS.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I rise in support of H.R. 6574 as amended, the Veterans' Insurance Act of 1974.

Basically, this legislation serves four purposes.

First, it would provide servicemen's group life insurance—SGLI—for the Ready Reserve and National Guard on a full-time basis.

Second, it would provide veterans group life insurance—VGLI—to veterans for a 5-year nonrenewable period.

Third, the maximum amount of SGLI or VGLI which may be purchased would be increased from $15,000 to $20,000.

Fourth, veterans' special term life insurance would be made a participating policy.

Mr. President, this legislation was cosponsored by all members of the Veterans' Affairs Committee, and after extensive hearings by the Subcommittee on Housing and Insurance, was unanimously reported on March 1, 1974.

Presently, SGLI is extended only to those on active duty or active duty for training under a call or order to duty that specifies a period of less than 31 days, during scheduled inactive duty training, and while traveling to and from such duties.

Much has been said about the necessity to make service in the Reserves and National Guard more attractive, and to encourage persons to join and remain in the Reserve components of our Armed Forces. This is of particular importance in light of the volunteer Army concept.

The provision for full-time SGLI coverage for the Ready Reserves and National Guard will provide an additional incentive for the recruit or member of the National Guard to join and remain in a unit.

Mr. President, the provision for a nonrenewable 5-year term policy known as veterans group life insurance is a good one. VGLI would become effective on the day SGLI terminates, and after 5 years, could be converted by the veteran with a commercial insurer.

Presently, the veteran must convert his SGLI policy, if he desires, within a 120-day period after discharge, or lose his right to conversion.

This provision will enhance the readjustment process for our young veterans. It will allow them a conversion opportunity when they are more financially able to convert their policy with a commercial insurer.

The veterans special term life insurance program was authorized for Korean conflict veterans, but paid no dividends.

The VSLI provision will return excessive premiums to those veterans, instead of having the amount in excess of mortality claims revert to the Treasury.

Finally, the maximum amount of coverage under SGLI and VGLI would increase from $15,000 to $20,000.

The average ownership of insurance is in excess of $25,000 for each insured family. I am convinced that these provisions go a long way toward assuring the young veteran adequate protection for his family while he is trying to readjust to the civilian economy.

Since both SGLI and VGLI are self-supporting programs, the cost impact is a minimal administrative cost. An estimated cost of $6 million would be involved in the return of dividends to the Korean veterans on the veterans' special life insurance policies.

I believe that the Veterans Insurance Act will have a positive effect on both the uniformed services insurance programs and on VA insurance programs.

Mr. President, I urge my colleagues to give this legislation their most careful consideration.

Mr. HANSEN. Mr. President, I rise in support of H.R. 6574 as amended, a bill relating to insurance provided for members of the armed services.

This bill has four parts which should be beneficial to many individuals, both those on active duty and veterans who have been separated from service.

The first portion of this bill will provide Servicemen's Group Life Insurance—SGLI—to all members of the Reserves and National Guard.

It will increase the coverage of all personnel from $15,000 to $20,000. This is in line with the coverage of the average American citizen. It also should serve as an inducement to young men to enlist and remain in the Reserve or National Guard programs.

The bill will provide conversion coverage to individuals who were discharged during the 5 years preceding enactment of this bill who did not convert their Servicemen's Group Life Insurance within 120 days.

It provides full-time coverage for Reservists and National Guard members who have retired but who are not eligible for retirement benefits until the age of 60.

The last provision of S. 1835 authorizes the payment of dividends on Veterans' Special Term Life Insurance—VSLI—issued prior to December 31, 1956.

The premiums charged on this type insurance are in excess of the actuarial costs. I am sure Congress never intended that any overcharge made on this insurance should be used to offset charges of another type Government insurance.

The Department of Defense, as well as all veterans' organizations, favor this legislation.

In light of these facts, I respectfully urge the support of my colleagues for this legislation.

The PRESIDING OFFICER. The bill (H.R. 6574) having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from Idaho (Mr. CHURCH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Iowa (Mr. HUGHES), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from Wyoming (Mr. MCGEE), and the Senator from Ohio (Mr. METZENBAUM) are necessarily absent.

I further announce that if present and voting, the Senator from Ohio (Mr. METZENBAUM), and the Senator from Arkansas (Mr. FULBRIGHT) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. BENNETT), the Senator from Tennessee (Mr. BROCK), the Senator from Hawaii (Mr. FONG), the Senator from Florida (Mr. GURNEY), the Senator from New York (Mr. JAVITS), and the Senator from Idaho (Mr. MCCLURE) are necessarily absent.

I also announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Virginia (Mr. WILLIAM L. SCOTT), and the Senator from Ohio (Mr. TAFT) are absent on official business.

I further announce that, if present and voting, the Senator from Hawaii (Mr. FONG) would vote "yea."

The result was announced—yeas 79, nays 0, as follows:

[No. 124 Leg.]

YEAS—79

Abourezk	Fannin	Nelson
Aiken	Goldwater	Nunn
Allen	Griffin	Packwood
Baker	Hansen	Pastore
Bartlett	Hart	Pearson
Beall	Hartke	Pell
Bible	Haskell	Percy
Biden	Hatfield	Proxmire
Brooke	Hathaway	Randolph
Buckley	Helms	Ribicoff
Burdick	Hruska	Roth
Byrd, Harry F., Jr.	Huddleston	Schweiker
Byrd, Robert C.	Humphrey	Scott, Hugh
Cannon	Inouye	Sparkman
Case	Jackson	Stafford
Chiles	Johnston	Stennis
Clark	Magnuson	Stevens
Cook	Mansfield	Stevenson
Cotton	Mathias	Symington
Cranston	McClellan	Talmadge
Curtis	McGovern	Thurmond
Dole	McIntyre	Tower
Domenici	Metcalf	Tunney
Dominick	Mondale	Weicker
Eagleton	Montoya	Williams
Ervin	Moss	Young
	Muskie	

NAYS—0

NOT VOTING—21

Bayh	Fulbright	McClure
Bellmon	Gravel	McGee
Bennett	Gurney	Metzenbaum
Bentsen	Hollings	Scott, William L.
Brock	Hughes	Taft
Church	Javits	
Eastland	Kennedy	
Fong	Long	

So the bill (H.R. 6574) was passed.

Mr. HARTKE. Mr. President, I move to reconsider——

Mr. ALLEN. Mr. President, if the Senator will withhold that for a moment, until we get the title amended, I have an amendment at the desk and ask that it be stated.

The PRESIDING OFFICER (Mr. ABOUREZK). The amendment will be stated.

The legislative clerk read as follows:

Amend the title by adding the words: "and to authorize allotments from the pay of members of the National Guard of the United States for group life insurance premiums."

Mr. ALLEN. Mr. President, this is merely an amendment to the title to cover the provisions of S. 383 added to the bill, and I ask that it be agreed to.

The amendment was agreed to.

Mr. HARTKE. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments to H.R. 6574.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARTKE. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. GRIFFIN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TRIBUTE TO SENATOR GOLDWATER

Mr. HARRY F. BYRD, JR. Mr. President, the New York Times magazine for yesterday, April 7, 1974, has published a most interesting article on one of our colleagues. It is entitled "The Liberals Love Barry Goldwater Now." It was written by Roy Reed who is chief Southern correspondent for the New York Times.

Mr. President, I have read this article very carefully. It seems to be an objective piece of reporting. Those of us who know BARRY GOLDWATER know what a wonderful, warmhearted, courageous individual he is. We know how outspoken he is, a characteristic that the people of this country increasingly like in their public officials.

A little while ago, a Senator mentioned to me, in talking about this article, that if we are not careful, both major parties may wind up their conventions by nominating BARRY GOLDWATER in 1976.

Well, Mr. President, I am not promoting any candidacies at all, but I do think that, in justice to BARRY GOLDWATER, some of his views were misrepresented in earlier years. It is most appropriate that this article written by Roy Reed in the New York Times magazine be printed in the RECORD, and I ask unanimous consent that that be done.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE LIBERALS LOVE BARRY GOLDWATER NOW

(By Roy Reed)

The smell of facism has been in the air at this convention.—DREW PEARSON at the Republican National Convention in San Francisco, 1964.

Goldwaterism has come to stand for nuclear irresponsibility.—From a staff letter written for Gov. William W. Scranton of Pennsylvania, an unsuccessful candidate for the 1964 Republican Presidential nomination.

I think the Republican party platform plus Goldwater is a prescription for World War III—NORMAN THOMAS, the Socialist leader, 1964.

I've often said that if I hadn't known Barry Goldwater in 1964 and I had to depend on the press and the cartoons, I'd have voted against the son of a bitch.—Senator BARRY M. GOLDWATER, the 1964 Republican Presidential nominee, in an interview Oct. 30, 1973.

So many unsettling things have happened lately that it is hard to remember what a menace the Senator from Arizona was in 1964. Recollect a little longer on how fearsome it was during that emotional Presidential election campaign. There was George Meany (before Meany's fall from grace over Vietnam, and long before his rehabilitation as a leader of the Nixon impeachers) warning us of "a parallel between Senator Barry Goldwater and Adolf Hitler." While Drew Pearson was reporting the smell of fascism, Gov. Edmund G. Brown of California was picking up "the *stench* of fascism." The Rev. Dr. Martin Luther King, Jr. saw "dangerous signs of Hitlerism in the Goldwater campaign." Even President Lyndon B. Johnson warned us that his opponent was "a raving, ranting demagogue."

Now it is time to celebrate the decennial of our escape from Goldwaterism and a peculiar thing has happened. The man who was the villain in 1964 has become a hero. In fact, he is one of the few political heroes left alive in the United States. And, most puzzling, he seems to be almost as well-loved by those who once feared and despised him as he is by those who have always loved him.

The astonishing new popularity of Barry Goldwater beyond the conservative wing of the Republican party is generally attributed to his blunt talk on Watergate during the last year. Of all the Republicans, he has been the most fearless in needling and prodding his Republican President. He has repeatedly urged Mr. Nixon to tell the truth and when the President has failed to satisfy him he has publicly raised doubts about the President's honesty. He has admitted that Watergate will hurt his party in the coming elections, and he has said he does not blame any Republican who feels he has to put distance between himself and his party's leader when he approaches his constituents.

But Watergate is not the whole story of Barry Goldwater's new standing. Evidence of his rehabilitation could be seen well before Watergate as he visited college campuses and got enthusiastic welcomes from people whose 1964 memories were of Halloween and grade school, not politics. Now it appears that it was also taking place at the same time in the subconscious minds of millions of liberal Democrats who voted against him in 1964 but who, undeliberately and perhaps unconsciously, somewhere along the way lost their fear of him, and their rancor.

Maybe it is time for liberals to ask themselves some questions. Were we wrong about Goldwater in 1964? Was he a bad guy, or were we sold a bill of goods? What has happened since then to make him acceptable? Has he changed, or has the country changed? Or, God help us, have the liberals changed? If we were deceived in 1964, what is the chance that we are being deceived again in 1974?

What difference does it make—someone will ask. Isn't Barry Goldwater merely a Senator from Arizona now, defanged and harmless? Maybe so. But a funny thing happened on his way to becoming every liberal's favorite conservative, as someone put it. He is now the Dwight D. Eisenhower of the Republican party. As an elder and now respectable statesman, his voice will be listened to for a long time. There is even talk of his running for President again; he is not taken in by such talk, but he knows its value.

I am one of the few national reporters who have never covered Goldwater. When I walked into his office not long ago, on the first of two visits, the only baggage I carried was a faded, 10-year-old suspicion of the man and a crisp new amazement at the rehabilitation he had undergone. The first things I noticed as I waited in his outer office were the famous airplane and automobile models that he had made or acquired over the years. There was a 1930 Alfa Romea named—for his wife—"The Peggy G," built by Barry Goldwater, 1973, as the plaque said. I smiled at my 1964 memories. Goldwater the tinkerer. Goldwater the political lightweight. Next the pictures. Paintings of Indians. Sensitive photographs of Indians. One was a likeness of an old man, and the picture seemed to show all there is in the human face of experience and strength and mildness. I learned later that Goldwater had taken some of the pictures. I did not know that at the time but before I stepped into his inner office I was aware that he had established a beachhead in my mind.

It is always necessary in political writing to say that the politician looked either tan and fit or pale and tired. Mr. Goldwater looked tan and fit. I told him at some point, when he was talking about the disadvantage of running for President at his age, that he didn't look 65. He said he knew it.

"But when you try to put an older man on the television tube," he said, "it's just damned hard to do. The younger voters, the young women particularly, will see a guy with wrinkles all over his face and then some young buck stands up and—'Gee, this guy's for me!' "

But that was much later. He began by remembering the 1964 election: "The size of the vote that Johnson got was a bit of a surprise, but it didn't bug me; it didn't stay with me. When you've lost an election by that much, it isn't a case of whether you made the wrong speech or wore the wrong necktie. It just was the wrong time."

How does he feel now about Lyndon Johnson, the great rival of his life? "Lyndon and I were always friends. And I knew his shortcomings just as he knew mine. I never felt unkindly toward him. He never really—he never did anything uncalled for in our campaign. I think a few remarks he made about me were remarks made in the heat of a campaign that he probably regretted. I saw him once or twice, three or four times, after the election. I tried to give him advice on South Vietnam, which he wouldn't take, and I tried to tell him to get rid of Robert McNamara, which he finally did and admitted that he should have done it sooner. No, I always felt very kindly disposed toward Lyndon. He was a power man. He used power. In fact, he used power in everything that he did. I didn't particularly appreciate that, 'cause I think you can catch more flies with honey than you can banging at 'em."

I had already talked to several people about the phenomenon of Mr. Goldwater's burial and resurrection and I had been offered numerous explanations for it, ranging from sociological to supernatural. One of the more persuasive had come from Senator J. William Fulbright of Arkansas, an early Goldwater adversary in the Senate. Mr. Fulbright recalled that Mr. Goldwater in 1964 had advocated widening the Vietnam war by bombing Hanoi, mining Haiphong harbor and other measures, while President Johnson during that election year had protested that he would never send American boys to fight a war that Asian boys should be fighting. "Later, it appeared that that was a deception, that Lyndon Johnson intended all along to widen the war; so there's been a reaction. The misjudgment of Lyndon Johnson tends to carry over to where we were unfair to

Barry Goldwater, because Lyndon Johnson did even more than Barry Goldwater said he would do."

It is easy, as Mr. Fulbright acknowledges, to look back and see where we were headed. What is not quite clear is why we so stubbornly refused to read the signs that were given. In The Times of July 15, 1964, the day Mr. Goldwater won the Presidential nomination at San Francisco, a page-one story from Washington reported that the Johnson Administration was sending 300 more Green Berets to South Vietnam as "advisers." "Thus the withdrawals that were set in motion last Christmas when 1,000 of 16,500 men were withdrawn have been reversed," the story said.

Senator Goldwater does not agree that President Johnson followed his policy on Vietnam. He still believes it was a mistake to rely so heavily on ground troops. He said he told Mr. Johnson soon after the 1964 election, "You've got to bomb the living hell out of them. In fact, we've got to carry this war to North Vietnam and right to Hanoi itself if you're going to be successful, and that would include the mining of Haiphong." He believes the war would have ended much sooner, and without having to send large numbers of ground troops, if Mr. Johnson had taken his advice.

But the point is the same. We were deceived by Lyndon Johnson, and the deception somehow legitimized the Goldwater war policy. No matter that he might have been as mistaken as Johnson, or that his policy might have been even more disastrous. Johnson took Goldwater off the hook and made possible, perhaps even inevitable, his eventual rehabilitation.

That would have sounded preposterous during the campaign of 1964. Remember, we were opposing a right-wing zealot who had pledged "victory" over Communism. There was not enough room in the world for both democracy and Communism, he had warned; and since he had also spoken of the desirability of "brinkmanship" and the need for courage in using nuclear weapons as a threat against the Russians, it seemed obvious where he would take us if he became President. And it was not just his foreign-policy views that frightened us. Congress, under the Johnson lash, had finally passed a civil-rights law with teeth. Mr. Goldwater had voted against it, calling it unconstitutional. Every black leader of any stature lined up against the Goldwater candidacy. Jackie Robinson became chairman of "Republicans for Johnson."

Then there were Social Security, which Goldwater wanted to abolish—remember?—and the Tennessee Valley Authority, which he wanted to sell. It was easy to be frightened. Goldwater had made thousands of spoken and written statements on everything he could think of, hundreds of off-the-cuff wisecracks that pleased audiences, titillated reporters and alarmed his staff.

His votes on legislation, when he had bothered to come in from the lecture circuit long enough to vote, were almost entirely against large public expenditures of any kind, against Federal aid to education, against foreign aid, against farm subsidies, against the Rural Electrification Administration—in short, against almost every group or idea that had had a claim on the liberal conscience since the days of Franklin D. Roosevelt.

If finding the Goldwater weaknesses was possible for a novice like me in 1964, it was child's play for a political intellectual like J. W. Fulbright. Poking fun at "The Conscience of a Conservative," the title of Goldwater's book, Mr. Fulbright told the Senate on the one-month anniversary of Mr. Goldwater's nomination, "A peculiar problem arises from the fact that while Senator Goldwater is himself of conservative disposition, his conscience clearly is not. It is in fact, an unruly conscience demanding intermittently that we break off diplomatic relations with the Soviet Union, or that we impose a Western protectorate on the newly independent peoples of Africa, or that we balance the Federal budget while at the same time abolishing the graduated income tax and sawing off the Eastern seaboard—with all its valuable tax money—and letting it float out to sea."

Picking holes in Goldwater was easy. It was also perilous. Consider the way the public impressions were built, brick by brick: He was making a speech like thousands of speeches he had made since he had soared into the national scene on the winds of Arizona in 1952; the audience was the Captive Nations rally being held at San Francisco during the Republican National Convention of 1964: "I am not one of those naive people who think you can live with your enemy, particularly when he has sworn to bury you."

Perfect Goldwater. Any American over 30 will remember that line, or one like it. It is part of his "victory over Communism" speech, and it calls up memories of other fighting words: "nuclear superiority," "brinkmanship." But how many remember the lines that came next: "Nor am I a warmonger who believes that the only way to stop Communism is with bombs or bullets. I don't believe you can stop any idea by killing people, but only with a better idea." That, too, was a regular theme in the Goldwater speeches. But who would remember it when it was buried under "bombs" and "victory" and "brinkmanship"?

It was the same with civil rights. He was accused of having allowed himself to be captured by racists and reactionaries, and he had. But in the hubbub his private views were lost. It was reported in The Times—the same week it reported the Captive Nations speech—that Mr. Goldwater had addressed the Florida delegation at the convention, calling on Gov. George C. Wallace to step out of the race to avoid splitting the Southern vote, but also telling his Southern audience that segregation was wrong—"morally and in some instances constitutionally." He went on to say that he would use the moral power of the Presidency to end discrimination and that he would enforce the 1964 civil-rights law, even though he had voted against it.

Probably the only things that are generally remembered now about Goldwater and the race issue in 1964 are that the Congress of Racial Equality demonstrated outside the Cow Palace during the Republican convention and that the Negro delegates on the inside threatened to walk out to protest his policies. That so one-sided and negative a recollection should have survived may be the proper comeuppance for a man who lets himself be used by evil men.

But what of us who allow ourselves to be used by good men? Mr. Goldwater made a speech in New Hampshire one day in 1964 in which he suggested a voluntary system for Social Security. He said those who wanted to stay in the system should be able to do so and those who preferred to provide for their own retirement should be able to get out. A headline in a New Hampshire newspaper the next day said, "Goldwater Sets Goals: and End Social Security, Hit Castro." The inaccurate headline was followed by considerable reporting around the country attempting to clarify what Goldwater had actually said. I have no doubt that I learned the truth of the matter in 1964, before the incident faded from sight. Why, then, do you suppose that 10 years later my memory was still willing to believe that Barry Goldwater had advocated abolishing Social Security?

I think I know the answer: (1) The Democrats, who had my sympathy in 1964, insisted that I believe the worst about Senator Goldwater, even if it meant believing that he was a political monster, and (2) like the girl in "Oklahoma" who couldn't say no, I *wanted* to believe the worst about him. Thus the stage was set for my memory, 10 years later, to try to tell me something that I had once known to be a lie.

If his enemies distorted Mr. Goldwater in the public mind that year, they were not alone in the endeavor. Mr. Goldwater did all he could to add to the confusion. In a way, he really was a frightening public figure. He was continually giving answers off the top of his head to the most serious questions. His spontaneity had a dual effect. To his friends, he was candid and refreshing; to his enemies, he was insane and dangerous. One wonders how an impartial observer would characterize his going to Tennessee to argue that the Federal Government should sell the Tennessee Valley Authority.

I did not ask him if he had any regrets about his conduct of the 1964 campaign because I figured he would say no. It is almost as hard to admit regret as it is to admit error. But one of his comments was revealing. I said it was interesting that he still had a large following nine years after his defeat for President, while Senator George McGovern's following had apparently melted away within nine months. He said that was because Mr. McGovern had left his party.

But isn't that what people said about Goldwater in 1964? Yes, but it was not true, he said. Then he talked of the extremist image that had cost him so much support in his own party. "I think in my acceptance speech"—he hesitated as if trying to remember the words—"when I said something like, uh—'extremism in the defense of liberty is no vice . . .' well, this became a great tool for the Republicans to leave me. I guess I lost between six and eight million Republicans who looked on me as radical, or conservative, almost Fascist-bent. Because you've got the spectrum: To the complete right is Fascsim, complete left is Communism, and there's not much difference. So that was the way I was painted. But I got 27 million votes and I don't think I've lost many of them, frankly, since that time. And I know from personal contacts that many of these Republicans have become my friends. For example, Agnew was completely opposed to me, and yet I'm his biggest defender. Rockefeller was completely opposed to me, yet we're very close friends now." (His defense of former Vice President Agnew is merely on procedural grounds. He believes the White House and the Justice Department wronged Agnew by trying his case in the press before formal charges were filed. He also thinks Mr. Agnew would not have pleaded guilty to income-tax fraud if he had not been guilty of some wrongdoing.)

I asked Mr. Goldwater if he had changed since 1964. No, he said, the change has taken place in the attitude of the country. The people have come around to his point of view; they have finally seen what he was driving at. Maybe he is right. The country has changed, and in some ways it has moved closer to his point of view. For example, the second Reconstruction has clearly run out of steam. It can surely be said that the nation is now moving at a Goldwater pace on the race issue. It is probably true that liberal attitudes have changed on some subjects, too. Liberal newspapers that were editorially optimistic about the Soviet Union in 1964 because of Premier Khrushchev's liberal policies are now filled with Goldwater-like pessimism over the Soviet leadership's treatment of Aleksandr Solzhenitsyn.

But if the world has changed, so has Mr. Goldwater. Ten years ago, he wanted to send the Marines to settle a dispute with Fidel Castro. Now he no longer talks about Cuba. He feels that Castro and Cuban Communism have lost their appeal and are no longer a threat, politically or economically, to the Western hemisphere.

While he was talking of withdrawing dip-

lomatic recognition from the Soviet Union in 1964, in 1974 he favors détente. "I don't think we've obtained it," he adds. "I think we're quite a ways from it." He still believes the West should strive to keep an advantage over the Communist countries but he says the world has changed in the last 10 years. The Soviet Union, for example, is now capable of keeping an occasional treaty, he says, while in the old days it almost never kept one. Also, he feels that the Soviet leaders now fear China much more than they fear the United States, and that this change has made them less dangerous to us at the moment. But that could change again and we must not let our guard down, he says.

He advocated pulling out of the United Nations in 1964 if mainland China was admitted. Now he applauds Mr. Nixon's *rapprochement* with the Chinese. "We're not salted into any position," Tony Smith, his press aide, explained. "Barry Goldwater is as entitled to change his mind as Bill Fulbright is to change his."

The Senator has even changed his mind about the Republican party's Eastern Establishment. Not just Nelson A. Rockefeller—who has met Goldwater at least half way in his ideology—but the whole Dewey-Javits-Wall Street Eastern seaboard that he once advocated, about half in jest, sawing off and floating out to sea. When I asked him if he saw any merit in establishing a national Conservative party, he said no, there was no point; the Republican party could handle the job.

"My personal feeling is, I no longer feel that a Republican *has* to be a conservative," he said. "I can live with Jack Javits." He conceded that that meant he had changed his mind "to some extent. I used to get very angry about Republicans who would not vote down the party line. But the longer I stayed around here in the East, the more I realized that living in these big Eastern cities and these big Eastern states was a little different from living out in the Middle West and the Far West. I couldn't get elected in New York City. I don't work politics that way. On the other hand, I don't think Jack Javits could get elected in Phoenix, 'cause he doesn't do it my way." He chuckled.

Of course, the big change of mind that has most endeared him to his old liberal enemies is his new hard line on Richard Nixon. He and Mr. Nixon had been publicly reconciled to each other for many years. There was some conflict between them in the early days, back when Mr. Nixon was working closely with the hated Eastern Establishment. Many probably have forgotten that Mr. Goldwater was the only threat to Mr. Nixon's Presidential nomination at the 1960 Republican convention. But that minor opposition was quickly forgotten and Mr. Goldwater joined in campaigning for the party's nominee that year. Whatever bitterness might have remained between the two men probably was dissipated further after Mr. Goldwater's defeat of the party's Eastern Establishment and his capture of the 1964 convention.

"We made it sort of the Western Establishment," he said with a satisfied grin. "I don't know if it's any better, but conservatives have dominated and have retained control, which is all right with me." Perhaps it was that confidence in the firmness of conservative control of the party that made Mr. Goldwater feel free to criticize President Nixon when the President moved too slowly to suit him on Watergate. Or perhaps it was simply a feeling that his personal standards of honesty and decency had been violated. Whatever it was, he began to speak his mind on the President early last year and he has continued to do so.

"He is a loner—the most complete loner I've ever known in any profession or business," he said during our first interview. "He doesn't seek the advice of those people who've had a lot of political experience. Who he does get advice from, I have no idea. I haven't had a long talk with him since Thanksgiving last year [1972]. I went up to Camp David and we spent about three hours just chatting about things and he told me about changes in personnel and things like that.

"The President is not a warm man, outwardly. Yet, you get him with a few of the boys and get him to take a drink and, hell, he loosens right up. I wish he did more of that." Goldwater said he had tried to persuade the President's men to get him to relax. "When Laird went in there, I said, 'Mel, the one thing you can do for this guy is have him do what Eisenhower used to do.' Maybe once a month or once every six weeks the phone would ring about 5 o'clock and say, 'Hey, what are you doing?' 'Nothing.' 'Well, on your way home, drop in and we'll have a drink.' So we'd go upstairs in the living room and there might be four, five, six or a dozen. Now the purpose of that meeting was either to let the President blow off steam or let us blow off steam. And he'd say, 'O.K., what's bugging you?' And you'd sound off. If Nixon would do this, I think it would be a great help to him. . . . He doesn't have the intimate touch. I don't care what you're president of, when you're a leader you have to have rapport with your troops."

How about Mr. Nixon's famous "cool"; does he really have it? "I think he's cool. I've never, I don't think I've ever seen him get mad. I've heard him swear a lot but not in madness. Say, 'That son of a bitch shouldn't have done that,' or something like that."

He said the President telephoned him recently in Arizona to thank him for backing him at one point on the Watergate controversy. "I acknowledged it and I said, 'now, Mr. President, I have one request to make of you. Don't make another speech. I don't know who your writer is, but they're no good.' I said, 'When you want to talk to the press, you want to get something across, call the press in and have a go at it; nobody can beat you at it.'" Subsequently, of course, Nixon did submit to public questioning several times.

There might be elements of personal affront in Mr. Goldwater's coolness toward the President. His son, Barry Jr., is a close friend and old schoolmate of John Dean, the apostate and former White House lawyer. Mr. Dean and young Goldwater were on the swimming team together at Staunton Military Academy. The Senator himself is not close to Mr. Dean but it is said he saw him at least once at his son's house and advised him to "tell it straight" when he testified before the Senate Watergate committee.

In addition, the Senator is said to be "not especially happy" about the cool treatment the White House has given Richard Kleindienst, the short-time Attorney General, and other Goldwater friends in the Nixon Administration. And if the White House felt that hiring Dean Burch, the former Goldwater campaign aide and chairman of the Federal Communications Commission, as a White House staffer would soften Mr. Goldwater, then the President and his people were being naive, according to Mr. Goldwater's people. Within days after Mr. Burch was hired in February, the President invited Mr. Goldwater to a White House political meeting along with the Republican leadership of Congress. He turned down the invitation. Goldwater does not favor impeachment of the President but his mind is open on resignation. He does not think the President should resign unless he makes "calamitous mistakes" even more damaging than those made so far. Beyond that, Goldwater does not like to discuss the question.

Probably his most telling comment on the President was something not quite stated. I mentioned the talk in some circles that Mr. Nixon had quietly "torpedoed" Vice President Agnew and forced him to resign. Mr. Goldwater pointedly did not disagree with that theory. He said, "I think it's too early for anybody to say. If you want to wait around until I die, I've written what I thought took place and it's sealed up in my papers. It can't be used. I could write a beautiful scenario on that and come up with exactly what happened." I told him I would love to see it. He laughed and said, "I know you would. I'm not going to talk about it. 'Cause you can't prove it at all."

This is all very pleasing to liberals. And yet, none of it means that old-time liberal Democrats are taken in by the new Goldwater, any more than Mr. Goldwater is deceived by the meaning of his new popularity. "With most Americans," he said, "they like honesty. I think sometimes they get confused. They find a fellow who will tell the truth all the time and be candid and they think of themselves as liking him when it may not be that at all. It may be just a feeling of respect and that sort of thing."

No one is likely to confuse Mr. Goldwater's prodding of President Nixon with any deep ideological conversion. Liberals know that he still scores zero in the Americans for Democratic Action ratings; that in 1973, for example, he voted against Federal money for mass transit, against halting the import of Rhodesian chrome and against reducing the Pentagon's money for the Trident submarine, and that he voted for limiting busing for school desegregation and for weakening the minimum wage law. They know, too, that in spite of his criticism of Mr. Nixon over Watergate, he still supports him on almost everything else.

Government spending still disturbs him. President Nixon's $300-billion budget alarms him just as much as President Johnson's $200-billion one did. He still believes the Government has grown too large. The "welfare mess" makes him see red, as does the booming crime rate. But while he still describes himself as conservative, he also likes to play the no-label game, as some liberals do nowadays. "I've always said that when history is written, Bob Taft and I will be called liberals," he said. "My hero of American politics was Thomas Jefferson, who in my opinion was a real liberal. And when you lay a real liberal alongside a real conservative, there's not enough difference to put in your hat.

"The major difference is that the conservative tends to rely always on history for the lessons of today and tomorrow, while the liberal will look at history and remember what happened but is willing to take a try once again at doing something even though it might have failed in the past. But the moment they find that they're wrong they'll come back. But the so-called modern liberal doesn't do that. I don't call a man liberal just because he wants to spend more money to supposedly help more people. It hasn't worked that way."

Very few of the "so-called modern liberals" would have trouble restraining themselves from pulling the Goldwater lever in the voting booth if he should run for President again. Not that he is likely to do that, in spite of the new talk.

"As I said down in Kentucky the other night—somebody asked the question, said, 'What if you were offered the nomination?' and I said, 'Well, any man who says he wouldn't take it is a damned liar.' But I won't do anything to encourage anybody. I will do everything to encourage them not to and I don't really think there will be any effort made. We have three good candidates looming now, Connally, Rockefeller and Reagan. I can support any one of them and would enjoy supporting any one of them."

But what about the old hunger for the Presidency? Is it gone? "Tell you the truth,

it was never really there," he said. "When Jack Kennedy was killed—I looked forward to running against Jack. And we used to talk about it. We had a hell of a good idea that I think would have helped American politics. We wouldn't necessarily live together but we would travel together as much as possible and appear on the same platform and express our views."

After Mr. Kennedy's assassination, he said, he decided not to run. Then it appeared that the Rockefeller people and the Easterners would take over the party so he got back in the race. "But it never was life or death for me."

He says the idea of his running for President again is usually raised by young people. He spends as much time as any conservative spokesman on the college lecture circuit. Of 10 speaking engagements he had in November, seven were on campuses. He is no longer invited exclusively by conservative campus groups. Many of his appearances now are open to all students, and his staff says he draws large numbers of all political persuasions. He gets several invitations to speak at commencements each year. The Senator reports increasing agreement with his views among students.

"I have a group or two every week in this office," he said. "I will answer their questions and I won't have answered but three or four and one of them will say, 'Now, wait a minute. You're a conservative, and I don't classify myself but I'm agreeing with you." The young especially like his criticisms of big government, he said. "This, I think, is the central theme of the young people."

He has also found a revival of courtesy on campuses. Our first interview took place a few days before he was to speak at Western Kentucky University. "I remember the last time I was there, it was a little rough," he said. "And so was the University of Kentucky. This has all changed. I never get any bad treatment any place. Man, I used to have kids get up and shout 'Bull!' and walk up and down with dirty signs. But the campus has changed completely. These kids, they know what they're there for now."

Nonetheless, enthusiasm for Goldwater among the young is still a little puzzling. I suspect that the explanation for it goes beyond new standards of courtesy on campus or deep beliefs in limited government. There have been numerous indications that students are no longer much interested in government of any kind, limited or otherwise. Back in 1964, James Reston may have revealed the secret of Goldwater's appeal, not only to the young but also to many others afflicted with yearning and hope, but like some other good comment and analysis of that year, it got lost in the national panic as people ran over each other to get out of the way of the Goldwater menace: "Mr. Goldwater may attract all the ultras, and the antis—the forces that are anti-Negro, antilabor, antiforeigner, anti-intellectual—but he also attracts something else that is precisely the opposite of these vicious and negative forces. Mr. Goldwater touches the deep feeling of regret in American life: regret over the loss of religious faith; regret over the loss of simplicity and fidelity; regret over the loss of the frontier spirit of pugnacious individuality; regret, in short, over the loss of America's innocent and idealistic youth."

We now seem to be in another of our periodic spasms of regret over lost innocence. And who in our battered and depleted cadre of political leaders is better equipped to symbolize that loss and regret than square-shouldered, all-American Barry Goldwater? The man is easy to like. Remember how he behaved after he lost the 1964 election—43 million votes to 27 million. Unlike Richard Nixon, the grudge fighter and wound licker who found defeat almost intolerable, Barry Goldwater simply said to hell with it. If the country did not want him, he would go back to his ham radio and his flying. He would rather occupy his mind with inventing an electronic flag-raising machine than with scratching his way back into power in Washington.

And how perceptions change! If he was the Bela Lugosi of American politics in 1964, he has now become the Henry Higgins. Since he has begun to prosper politically again, he is almost cranky about it. He showed me a huge stack of fan mail and said it had come from every state in the union. "My biggest trouble is keeping up with the damned stuff," he said. His voice had the same good-natured but put-upon tone when he talked of having to run all over the country making speeches, trouble-shooting for the party, educating the young, straightening out the President. He was trying to tell me that he was an ordinary man *who desires nothing more than just the ordinary chance to live exactly as he likes and do precisely what he wants.**

What, after all, is his politics? It never has been one of engagement, of getting this country moving again. It is a politics of indignation. He looks up from his work table where he is minding his own business and here comes the goddamned Government, meddling with him. It is a politics of defense, of outraged sensitivity, of the violated citizen who just wants to live exactly as he likes.

But wasn't he a threat to the country in 1964? That San Francisco convention hall full of yahoos, haters and nuts was no joke. And he was there with them, taking their cheers and by his mere presence and station egging them on. By God, there *was* a smell of fascism in the air. It was no less real that it came from the Indians and not from the chief, and the chief stood by and did nothing to stop it.

And yet, there is still unfairness in the judgment if it stops there. Because as scary as that convention was, it was not scary in the same way a George Wallace rally is when the fevers are running high in Birmingham or Meridian or Flint. The difference is in the build of the men at the top. Wallace is a born and bred demagogue. When he finds passion in a crowd he makes blood contact with it, riding it, prodding it, lashing it to his own and thus giving both passions for a moment more power than any two passions singly and separately could ever achieve. George Wallace is a creature of political lust, and if it is hard to distinguish his politics from his sexuality, that is no accident. He is in the great tradition of hungry men who make no distinctions among their appetities.

Goldwater is different. Words like lust and passion do not fit him. His listeners like him but they do not yearn to go to bed with him or he with them. While Wallace is a demagogue, Goldwater is merely a crowd pleaser.

There is no doubt that Barry Goldwater wanted to be President, but I think he is truthful when he says he never lusted for it. Perhaps the voters sensed that. And perhaps that is why they rejected him so decisively, as some women instinctly reject a man when they sense that he is not blood-bonded in his determination.

The instinct is probably sound. It eliminates the frivolous, both in love and politics. Nevertheless, I am still fretful over the way we treated Barry Goldwater that year. It troubles me that we all stood by and let a man who was merely wrongheaded be portrayed to the world as monstrous. When I went to mark my ballot in 1964, I was not asked to vote rationally; I was asked to believe only that Barry Goldwater was a dangerous man. I bought it and thereby let myself be cheated.

* From "I'm an Ordinary Man," in "My Fair Lady." Copyright 1956 by Frederick Loewe and Alan Jay Lerner. Used by permission of Chappell & Co. Inc.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

AMENDMENT NO. 1141

Mr. ALLEN. Mr. President, I call up my amendment No. 1141 and ask it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 13, line 23, strike out "10 cents" and insert in lieu thereof "5 cents".

On page 15, line 9, strike out "15 cents" and insert in lieu thereof "10 cents".

Mr. ALLEN. Mr. President, according to the unanimous consent agreement heretofore made, I offer a modification to the amendment, and ask that it be stated.

The PRESIDING OFFICER. The modification will be stated.

The assistant legislative clerk read as follows:

On page 13, line 23, strike out "10 cents" and insert in lieu thereof "8 cents".

On page 15, line 9, strike out "15 cents" and insert in lieu thereof "12 cents".

Mr. ROBERT C. BYRD. Mr. President, does the distinguished Senator from Alabama wish to speak on his amendment this evening?

Mr. ALLEN. No. I understand that the time limitation will be stated on it tomorrow.

Mr. ROBERT C. BYRD. Very well. I thank the Senator.

ORDER FOR RECOGNITION OF SENATOR AIKEN TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the distinguished Senator from Wisconsin (Mr. PROXMIRE) has been recognized under the order previously entered on tomorrow, the distinguished Senator from Vermont (Mr. AIKEN) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, it is my understanding that there is a time limitation on the Allen amendment as modified of 1 hour?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. It is my understanding also that the order for the resumption of the consideration of the unfinished business at the conclusion of routine morning business tomorrow has already been entered?

The PRESIDING OFFICER. That is correct.

Mr. ROBERT C. BYRD. It is also my understanding that the pending ques-

tion at that time will be on adoption of the amendment of the Senator from Alabama (Mr. ALLEN) as modified.

The PRESIDING OFFICER. That is correct.

Mr. ALLEN. Mr. President, will the Senator from West Virginia yield?

Mr. ROBERT C. BYRD. I yield.

Mr. ALLEN. May I state in brief just what the amendment and the modification will do. The amendment would have changed the permissible amount of money to be spent in a primary from 10 cents per person of voting age to 5 cents, and to change the amount that could be spent in a general election from 15 cents down to 10 cents.

The distinguished Senator from Nevada (Mr. CANNON) stated in colloquy on the floor that he felt these reductions were too large, but if the amendment was submitted at 8 cents per person of voting age in the primary and 12 cents per person of voting age in the general election, he personally—but not speaking for the committee—would support such an amendment.

The overall amount that can be spent would control the amount of the Federal subsidy in the primary because the Federal Treasury potentially would be called upon to pay half that amount and it would of course reduce the amount that the Public Treasury would pay for the general election. Overall, it would accomplish about a 20 percent reduction in overall expenditures. It would be a possible saving of as much as $100 million every 4 years. So the modification has been made. It would accomplish a 20 percent reduction in the permissible amount of overall expenditures. I hope that on tomorrow the Senate will accept the amendment.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for tomorrow is as follows:

The Senate will convene at 12 noon.

After the 2 leaders or their designees have been recognized under the standing order, Mr. PROXMIRE will be recognized for not to exceed 15 minutes. Mr. AIKEN will then be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business, of not to exceed 15 minutes, with statements therein limited to 5 minutes each.

At the conclusion of the transaction of routine morning business, the Senate will resume consideration of the unfinished business, S. 3044, the public campaign financing bill.

The pending question at that time will be on the adoption of the amendment, as modified, by Mr. ALLEN. There will be a yea and nay vote on that amendment. The vote will occur at approximately 1:45 p.m.

Other votes on amendments may occur subsequent to the vote on that amendment and prior to 3 p.m.

At 3 p.m., the debate on the motion to invoke cloture will begin, and there will be 1 hour under the rule. The hour will expire at 4 p.m. At that time, the mandatory quorum call will be issued; and upon the establishment of a quorum, the vote, which will be a rollcall vote, will occur at approximately 4:15 p.m.

Subsequent to the vote on cloture, votes on amendments to the bill will be in order, and yea-and-nay votes will occur.

ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and at 5:12 p.m. the Senate adjourned until tomorrow, Tuesday, April 9, 1974, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate April 8, 1974:

DEPARTMENT OF STATE

John P. Constandy, of the District of Columbia, to be Deputy Inspector General, Foreign Assistance, vice Anthony Faunce, resigned.

IN THE MARINE CORPS

The following-named officers of the Marine Corps for temporary appointment to the grade of brigadier general:

John R. Debarr	John H. Miller
Herbert J. Blaha	Harold A. Hatch
Philip D. Shutler	Edward J. Bronars
Richard E. Carey	Warren R. Johnson
George W. Smith	Paul X. Kelley

CONFIRMATIONS

Executive nomination confirmed by the Senate April 8, 1974:

DEPARTMENT OF AGRICULTURE

Richard L. Feltner, of Illinois, to be an Assistant Secretary of Agriculture.

(The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE OF REPRESENTATIVES—*Monday, April 8, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Set your troubled hearts at rest. Trust in God always.—John 14: 1 NEB.

Our Father God, at the beginning of Holy Week we bow at the altar of prayer, erected by our fathers, that here we may receive strength for the day, wisdom to make sound decisions, insight to see clearly the way we should take, and courage to walk in it until the end of life's day.

Help us to take a firm stand for what we believe to be right. Grant that we not be neutral morally nor negative spiritually, but by Thy grace may we live honestly, helpfully, and hopefully keeping ourselves committed to Thee and to the highest good of our beloved country.

So may we be tall men and women, Sun-crowned, who live above the fog in public duty and in private thinking.

In the spirit of Christ we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries, who also informed the House that on April 2, 1974, the President approved and signed a bill of the House of the following title:

H.R. 5236. An act to provide for the conveyance of certain mineral interests of the United States in property in Utah to the record owners of the surface of that property.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12253) entitled "An act to amend the General Education Provisions Act to provide that funds appropriated for applicable programs for fiscal year 1974 shall remain available during the succeeding fiscal year and that such funds for fiscal year 1973 shall remain available during fiscal years 1974 and 1975."

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 2770) entitled "An act to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to medical officers of the uniformed services," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. STENNIS, Mr. SYMINGTON, Mr. JACKSON, Mr. THURMOND, and Mr. TOWER to be conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 2771) entitled "An act to amend chapter 5 of title 37, United States Code, to revise the special pay bonus structure relating to members of the Armed Forces, and for other purposes," agrees to a conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. STENNIS, Mr. SYMINGTON, Mr. JACKSON, Mr. THURMOND, and Mr. TOWER to be the conferees on the part of the Senate.

APPOINTMENT OF CONFEREES ON S. 2770

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2770) to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to medical officers of the uniformed services, with a House amendment thereto, insist on the House amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from New York? The Chair hears none and appoints the following conferees: Messrs. STRATTON, NICHOLS, HÉBERT, HUNT, and BRAY.

HEARINGS OF SUBCOMMITTEE ON INTERNATIONAL TRADE

(Mr. ASHLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHLEY. Mr. Speaker, I would like to announce that the Subcommittee on International Trade of the Committee on Banking and Currency has scheduled for the period April 22 through May 2 hearings on legislation dealing with international economic policy.

These hearings will focus on bills to amend and extend the Export-Import Bank Act of 1945, as amended; to authorize appropriations to implement the International Economic Policy Act of 1972; and to further amend and extend the authority for the regulation of exports, the Export Administration Act of 1969, as amended. The subcommittee also expects to receive testimony on House Resolution 774, which would express the sense of the House that no Export-Import Bank programs shall be extended to non-market-economy countries other than Poland and Yugoslavia during the period the Senate is considering and acting on H.R. 10710, the Trade Reform Act of 1973.

Members wishing to testify or to submit a statement for the record should address their requests to Joseph J. Jasinski, professional staff member, Subcommittee on International Trade, Committee on Banking and Currency, 2129 Rayburn House Office Building, Washington, D.C. 20515. Telephone 225-7145.

PERSONAL EXPLANATION

(Mr. COUGHLIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. COUGHLIN. Mr. Speaker, on Thursday, April 4, I was not present for a recorded vote, rollcall No. 147, on an amendment offered by Congressman HÉBERT to H.R. 12565, the Department of Defense supplemental authorization bill, which would have increased the authorization ceiling on military aid to South Vietnam by $274 million. Had I been present, I would have voted "no" on this amendment.

issue earlier in the day when it failed to order the previous question on the rule which included language waiving points of order against sections of the bill authorizing additional military assistance to South Vietnam. I voted against adoption of the rule. As a cosigner of a "dear colleague" letter urging Members to oppose any increase in the ceiling on military aid to South Vietnam, I would have voted against the subsequent attempt to raise the ceiling by a floor amendment.

DUTY-FREE IMPORTATION OF UPHOLSTERY REGULATORS AND UPHOLSTERER'S REGULATING NEEDLES AND PINS

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 421) to amend the Tariff Schedules of the United States to permit the importation of upholstery regulators, upholsterer's regulating needles, and upholsterer's pins free of duty, which was unanimously reported favorably to the House by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. SCHNEEBELI. Mr. Speaker, reserving the right to object, will the gentleman from Arkansas kindly explain the legislation?

Mr. MILLS. Mr. Speaker, if the gentleman from Pennsylvania will yield I will be happy to explain the bill.

Mr. SCHNEEBELI. I yield to the gentleman from Arkansas.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 421, as reported to the House by the Committee on Ways and Means, is to amend the Tariff Schedules of the United States to make duty-free imports of upholstery regulators, upholsterer's regulating needles, and upholsterer's pins. These items, which are used to stuff furniture being upholstered, are currently dutiable at 9.5 percent, 8.5 percent, and 9.5 percent ad valorem, respectively, under rate column No. 1—applicable to countries accorded most-favored-nation treatment—and at 45 percent, 40 percent, and 45 percent ad valorem, respectively, under rate column No. 2—applicable to Communist countries, except Poland and Yugoslavia.

The Committee on Ways and Means was informed that there is no commercial production of these articles in the United States and that the domestic upholstery trade is dependent on imports, principally from West Germany and the United Kingdom. The pending bill, which was introduced by our colleague, the Honorable SILVIO O. CONTE, would establish a new item in the Tariff Schedules under which all imports of these articles would be free of duty.

Bills of identical purpose to H.R. 421 were unanimously passed by the House in both the 91st and 92d Congresses, but neither of these was enacted because of unrelated amendments added by the Senate in which the House did not concur. Favorable reports were received from the executive branch on the legislation, and the bill has been reported unanimously by the Committee on Ways and Means. I urge its passage by the House.

Mr. SCHNEEBELI. Mr. Speaker, I thank the gentleman from Arkansas for his explanation of the bill.

Mr. Speaker, I rise in support of H.R. 421. The House has passed essentially the same legislation twice, but disagreement on nongermane Senate amendments each time has prevented enactment.

The articles cited in the bill are used in the upholstery trade. The regulators, resembling knitting needles, are used to stuff upholstered furniture, and are dutiable at 9.5 percent ad valorem. The regulating needles are eyeless, about a foot long, and are dutiable at 8.5 percent ad valorem. The pins are 3 inches in length, have a loop instead of a head, and are dutiable at 9.5 percent ad valorem.

The committee has been informed there is no domestic commercial production of these articles; therefore, our upholstery trade has to depend on imports—the volume of which has been small—estimated at less than $20,000 a year.

The committee has heard no objection to the legislation, and favorable reports have been received from interested departments and agencies.

The committee unanimously ordered the bill reported, and I strongly recommend its passage now.

Mr. CONTE. Mr. Speaker, would the gentleman yield?

Mr. SCHNEEBELI. I yield to the gentleman from Massachusetts (Mr. CONTE), the author of the legislation.

Mr. CONTE. Mr. Speaker, I rise in support of H.R. 421 and wish to express my thanks to the Committee on Ways and Means for its consideration of this measure, and its unanimous recommendation that it be passed.

Mr. Speaker, since 1967 I have been working for the passage of this legislation which would make duty free the imports of upholstery regulators and upholsterer's pins. These items are not manufactured in the United States. Consequently, the rationale of requiring a duty to protect domestic industry does not exist. Further, the imposition of these duties penalizes the users of these items unnecessarily. Every upholsterer of furniture and automobiles requires these tools for his trade.

The duty-free importation of the items covered by the bill would serve to improve the competitive status of American industry without harming any domestic producer.

Similar legislation was passed unanimously by the House near the close of the 91st and 92d Congresses, but died in the adjournment rush, because of an unrelated amendment attached to this bill.

The House had already voted on this

In past years, the responsible Government agencies have reviewed this legislation and endorsed it. The Departments of State, the Treasury, Commerce, and Labor, and the Special Representative for Trade Negotiations in the Executive Office of the President, have all given favorable reports on the legislation. No objections have been reported from any other source.

Favorable action on this legislation would have a positive impact on the entire upholstery industry. I am pleased it has reached the floor of the House again, and urge its enactment.

Mr. SCHNEEBELI. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. GROSS. Mr. Speaker, further reserving the right to object, I would ask the gentleman from Arkansas (Mr. MILLS) does this have anything to do with acupuncture needles?

Mr. MILLS. Mr. Speaker, if the gentleman will yield, the answer is "no," they are not included.

I might further advise my friend, the gentleman from Iowa, that the House passed this bill on two previous occasions, in the 91st Congress and the 92d Congress, but that the bill did not become law because of other amendments that were adopted while the bill was in another body of the Congress.

Mr. GROSS. Mr. Speaker, further reserving the right to object—and I realize that the next question I am asking the gentleman from Arkansas probably may not apply to that gentleman's committee—does the Committee on Ways and Means have anything to do with the regulation of exports from this country?

Mr. MILLS. Mr. Speaker, if the gentleman will yield, the answer is "no." The jurisdiction as to exports is the subject matter of another committee.

Mr. GROSS. Mr. Speaker, I wonder if the gentleman from Arkansas would agree with me that some committee of this Congress—and I suppose it is the Committee on Banking and Currency?

Mr. MILLS. That is correct.

Mr. GROSS. That committee ought to be doing something about the exports of apparently most of our scrap metal and various other metals.

Mr. ASHLEY. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Speaker, I think that I can answer the inquiry of the gentleman from Iowa.

The Subcommittee on International Trade of the Committee on Banking and Currency has scheduled hearings to start immediately after the recess, and we will have a bill brought to the floor of the House within 3 weeks.

Mr. GROSS. Apparently there is no way to impress the executive branch of the Government that American producers are in serious trouble for lack of scrap and other metals due to exports. I hope there will be no delay in bringing forth some kind of legislation. The House of Representatives has a very real responsibility in this situation.

I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill as follows:

H.R. 421

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That schedule 6, part 3, subpart E of the Tariff Schedules of the United States (19 U.S.C.) is amended—

(1) by striking out "upholstery regulators, and", and by inserting "and upholstery regulators, upholsterer's regulating needles, and upholsterer's pins," after "other hand needles," in the item description preceding item 651.01;

(2) by striking out "and upholstery regulators" in item 651.04; and

(3) by inserting after item 651.05 the following new item:

"	651.06	Upholstery regulators, upholsterer's regulating needles, and upholsterer's pins.	Free	Free	"

SEC. 2. The amendments made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of enactment of this Act.

With the following amendments:

Page 2, strike out the matter between lines 4 and 5 and insert the following:

651.06	Upholstery regulators, upholsterer's regulating needles, and upholsterer's pins.	Free	Free

Page 2, line 5, insert "(a)" immediately before "The amendments".

Page 2, after line 8, insert the following:

(b) The duty free treatment applied to upholstery regulators, upholster's regulating needles, and upholster's pins under item 651.06 of the Tariff Schedules of the United States (as added by the first section of this Act) shall be treated as not having the status of a statutory provision enacted by the Congress, but as having been proclaimed by the President as being required or appropriated to carry out foreign trade agreements to which the United States is a party.

The SPEAKER. The question is on the committee amendments.

The committee amendments were agreed to.

Mr. MILLS. Mr. Speaker, I move the previous question on the bill.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

TEMPORARY SUSPENSION OF DUTY ON SYNTHETIC RUTILE

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 11830) to suspend the duty on synthetic rutile until the close of December 31, 1976, which was unanimously reported favorably to the House by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. SCHNEEBELI. Mr. Speaker, reserving the right to object, I take this time to ask the distinguished chairman of the committee about this legislation.

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. SCHNEEBELI. I yield to the gentleman from Arkansas.

Mr. MILLS. I appreciate the gentleman's yielding.

Mr. Speaker, the purpose of H.R. 11830, as reported to the House by the Committee on Ways and Means, is to suspend for a temporary period, until the close of June 30, 1977, the duty on synthetic rutile.

The Committee on Ways and Means was advised that at the present time, the United States is dependent on imports to meet its needs for both natural and synthetic rutile. Worldwide, both materials, which are functionally equivalent, being principal sources of titanium dioxide pigment used by the paint, paper, and plastics industries are in short supply. Rutile is also used in making titanium sponge, metal, and alloys.

Natural rutile presently enters the United States duty free under item 601.51 of the Tariff Schedules of the United States. Synthetic rutile, on the other hand, is dutiable, under item 603.70 of the TSUS, at 7.5 percent ad valorem under rate column numbered 1—applicable to countries accorded most-favored-nation treatment—and 30 percent ad valorem under rate column numbered 2—applicable to Communist countries, except Poland and Yugoslavia. The pending bill, which was introduced by our colleague on the Committee on Ways and Means, the Honorable JOE D. WAGGONNER, would add a new provision in the appendix to the TSUS to temporarily suspend the 7.5 percent duty under colum numbered 1, until the close of June 30, 1977, but would effect no change in the duty under column numbered 2.

Although ilmenite, the natural mineral from which synthetic rutile is derived, is found extensively in the United States, the Committee on Ways and Means is informed that synthetic rutile is not presently produced in this country largely because of major ecological problems associated with the disposal of polluting effluents created in the ilmenite upgrading process and the currently prohibitive costs of curing those problems. The Department of the Interior, in supporting enactment of H.R. 11830, advised the committee that it is now engaged in research to develop environmentally acceptable techniques for deriving synthetic rutile from domestic ilmenite resources, but that "commercial application of these processes is still some time off."

Imports of synthetic rutile, which come principally from Australia and Japan with a lesser amount from India,

totaled 9,200 tons in 1972 and 16,000 tons in the first 7 months of 1973. The Committee on Ways and Means is of the opinion that the temporary suspension of duty provided by H.R. 11830 would, in addition to serving domestic consumer and ecological considerations, aid the United States in obtaining a greater share of the limited world supply, thereby helping to maintain production and employment levels in domestic manufacturing, particularly in the paint and pigment industries.

In addition to the Department of the Interior, the Departments of State, Treasury, and Commerce submitted favorable reports on this legislation, and the Committee on Ways and Means is unanimous in recommending its enactment. I urge its passage by the House.

Mr. SCHNEEBELI. Mr. Speaker, I support H.R. 11830, which would suspend the duty on synthetic rutile through June of 1977.

Rutile is used in making titanium sponge, metal and alloys, and is a source of titanium dioxide pigment employed in the paint, paper and plastics industries. It is in very short supply, both in its natural and synthetic forms, which can be used virtually interchangeably. Natural rutile can be imported duty free, but synthetic rutile is dutiable at 7.5 percent ad valorem.

Synthetic rutile is produced from ilmenite, a natural mineral found in abundance in the United States. Unfortunately, serious environmental problems have been encountered in the synthetic rutile production process, and the cost of curing those problems has so far proved prohibitive. It is expected that a technological breakthrough will occur, but not in the near future. Therefore, Mr. Speaker, it is proposed that the duty of synthetic rutile be lifted temporarily, to help the United States obtain a greater share of the world's limited supply, and thus serve a number of domestic interests—ecologic as well as economic.

Mr. Speaker, no objection to this legislation has been heard by the committee and the bill was unanimously ordered reported. I urge my colleagues to approve it.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SCHNEEBELI. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

This apparently is another American industry that has fallen victim to the overzealous ecologists is that not true?

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. SCHNEEBELI. I yield to the chairman.

Mr. MILLS. I do not think that is quite the situation. We have historically been dependent upon foreign sources to a great extent for natural rutile. We do not produce the synthetic rutile here, largely because of ecological concerns and the high cost of processing ilmenite into synthetic rutile. There is some rutile produced, as I recall, in the State of Florida, but it is sold in its natural state. There is no production, I am told, of the synthetic rutile in the United States.

Mr. GROSS. On page 2 of the gentleman's report it is indicated that the ecologists have chased producers of synthetic rutile out of business.

Mr. MILLS. If the gentleman will yield further, I will say it has been a problem. I would not say it has chased them out of business; I think the pollution factor and the associated cost have prevented processors from going into business here in the United States.

Mr. SCHNEEBELI. Mr. Speaker, there seems to be no objection to this bill, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill as follows:

H.R. 11830

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting after item 911.16 the following new item:

"| 911.25 | Synthetic rutile (provided for in item 603.70, pt. 1, schedule 6).| Free | No change | On or before 12-31-76. |".

SEC. 2. The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

COMMITTEE AMENDMENT

With the following committee amendment.

The Clerk read as follows:

Page 1, after line 5, strike out "12-31-76." and insert "6/30/77".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed.

The title was amended so as to read: "A bill to suspend the duty on synthetic rutile until the close of June 30, 1977."

A motion to reconsider was laid on the table.

TEMPORARY SUSPENSION OF DUTY ON CERTAIN HORSES

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 13631) to suspend for a temporary period the import duty on certain horses.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. SCHNEEBELI. Mr. Speaker, reserving the right to object, I take this time to ask the chairman if he will report on the legislation.

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. SCHNEEBELI. I yield to the gentleman from Arkansas.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 13631, as reported to the House by the Committee on Ways and Means, is to suspend for a temporary period, until the close of June 30, 1976, the duty on certain horses.

At the present time, horses for immediate slaughter, thoroughbreds for breeding purposes, and racehorses returned to the United States after being used abroad solely for racing purposes may be imported into the United States duty free. Other horses, however, are presently dutiable at $2.75 per head, if valued not over $150 per head, or at 3 percent ad valorem if valued over $150 per head. These are the rates applicable under rate column No. 1 of the Tariff Schedules of the United States, applicable to countries accorded most-favored-nation treatment. By adding new provisions in the appendix to the TSUS to temporarily suspend the duties on horses presently dutiable under item 100.73 and item 100.75, the pending bill would provide a uniform duty-free rule under column No. 1 of the TSUS for horses imported for any purpose, until the close of June 30, 1976. The bill, which was introduced by our colleague, the Honorable JACK F. KEMP, would make no change in the rates of duty under rate column No. 2—applicable to Communist countries, except Poland and Yugoslavia.

The Committee on Ways and Means was advised that several problems have been encountered under the present tariff structure for horses. For example, the provisions operate discriminatorily among different breeds, problems at the borders associated with valuation have arisen, and bonding problems have arisen, particularly in connection with racehorses entering the United States for participation in claiming races. These problems and their attendant administrative difficulties and expenses appear particularly burdensome when compared with the minimal revenues derived from the duty on horses—approximately $176,000 in 1973.

The Committee on Ways and Means is of the opinion that enactment of H.R. 13631 is desirable to alleviate these problems and to eliminate the current disparate and inequitable rules relating to imports of horses. The suspension of duty on a temporary basis will afford an opportunity for study respecting the desirability of continuing the duty-free treatment, either on a temporary or a permanent basis.

Favorable reports were received from the executive branch on the legislation, and the Committee on Ways and Means is unanimous in recommending its enactment. I urge its passage by the House.

Mr. SCHNEEBELI. Mr. Speaker, I support H.R. 13631, which would suspend until June 30, 1976, the duties on certain horses.

Under present law, horses may be imported duty free if they are destined for immediate slaughter, if they are recognized and registered as purebred by the Agriculture Department and are destined for breeding purposes, or if they are being returned to this country after racing use only in another country.

Other horses are dutiable at $2.75 each if they are valued at $150 per head or less, and at 3 percent ad valorem if they are valued at more than 150 per head. One problem which has arisen under current law concerns quarter horses, which are not duly recognized and registered as purebred. Thus, although they are bred for racing, as are thoroughbreds, they are dutiable. Unlike thoroughbreds, H.R. 13631 would eliminate this discrimination. It also would eliminate other problems, including those associated with

valuation of foals and horses bred for racing but not yet raced.

Mr. Speaker, the revenue loss from this measure has been estimated at less than $200,000 in the first year of its effectiveness and the committee felt this to be outweighed by the problems of customs valuation and the attendant administrative expenses which the bill is designed to remove. No unfavorable reports on the legislation were received by the committee, which unanimously ordered H.R. 13631 favorably reported.

Mr. KEMP. Mr. Speaker, will the gentleman yield?

Mr. SCHNEEBELI. I yield to the gentleman from New York.

Mr. KEMP. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of the enactment of this measure to suspend until June 30, 1976, the import duty on certain horses and wish to express my appreciation to the distinguished chairman, Mr. MILLS, Mr. SCHNEEBELI, and the Ways and Means Committee for their unanimous support of this legislation.

The bill before us, H.R. 13631, was introduced by me on March 20, 1974, as a redraft of my previously introduced measure, H.R. 9719, a bill which would have suspended the import duty for an indefinite period.

WHAT H.R. 13631 WOULD DO

The bill now before us, if enacted, would amend subpart B of part 1 of the appendix to the Tariff Schedules of the United States, by providing that horses, other than those for immediate slaughter, whether valued at less than or more than $150, would be able to enter the country without the imposition of the 3-percent-of-value tariff or per-head duty now levied on them. This suspension of tariffs and duties would be for a period not to exceed June 30, 1976, or approximately 2 years.

The need for this legislation is reflected in the fact that it was reported unanimously by the Committee on Ways and Means. That need is also reflected by the concurrence of Treasury in its enactment, provided it is limited to the time period contained in the reported bill.

GROWTH IN OWNERSHIP OF HORSES

There has been a substantial growth in the ownership of horses during recent years, both among amateur and professional owners. Last year the United States imported $7.5 million in horses, a great number of which were for private, pleasure sporting. As an example of the growth in interest in horses, the number of horses owned by 4–H Club members across the Nation now stands at 296,000, a full 46,000 over just 2 years ago.

The U.S. Forest Service also reports that the use of horse trails maintained by it has increased by 15 percent over a year ago.

In addition, the surging popularity of polo, steeplechase, equitation, dressage, and point-to-point events has added to the interest in horse ownership, breeding, and training.

And, last but not least, the ownership of horses is now considered one of the best hedges on inflation, with the value of horses rising steadily.

PRESENT LAW DIFFICULT TO ADMINISTER

The present law is difficult to administer.

Under that law, most horses of a value in excess of $150 imported into the United States—principally Canadian bred horses—are subject to a 3-percent duty, 3 percent of the value of the horse. This is part of the problem: What constitutes the value of a horse which has never been offered for sale, privately or at auction?

Such a valuation requirement means that the U.S. customs officials must attempt to place a specific dollar value on each and every horse being brought into the United States of a value of $150 or more, including foals. This is a requirement subject to substantial subjective judgment.

I have been told by constituents that customs agents have admitted privately to them that they wished the tariffs were lifted because they felt such great uncertainty, and potential unfairness to owners, in levying percentages on horses of unknown actual dollar values.

The enactment of H.R. 13631 would eliminate these problems at the borders. The valuation of foals—horses yet to have been raced—and similiar cases is always difficult, as I have said, for customs officials. In addition, valuation, and bonding problems arise particularly with respect to racehorses entering the country for participation in claiming races. Claiming races are designed to assure that horses of as nearly equal caliber as possible are matched in any given race. Hence, the rule in such races is that any horse in the race may be claimed, that is, purchased, for the claiming price.

The Department of Commerce, which favors enactment of this bill, has provided the Committee on Ways and Means with the following information respecting the cumbersome and often penalizing operation of present bonding procedures in the case of horses entering the United States and participating in claiming races:

The elimination of the import duty on horses would serve several useful purposes. Horses entering the United States for racing must obtain either a single-entry or term bond for temporary importation. The procedures for the single-entry bond require the importer to establish a surety bond at the time of entry for an amount twice the *ad valorem* duty. The bond is valid for one year with two one-year extensions permissible. If the horse is not returned within this period, the bond is breached. Similarly, under the term-bond procedures, a surety bond with a minimum value of $10,000 (after January 16, 1974) is required to be made by the importer. The term bond is honored at all ports of entry, for any number of crossings, and for a one-year period, although two one-year extensions are allowable. Consonant with the procedures under the single entry bond, the term bond is forfeited if the horse is not returned within the one-year period or any extension thereof.

The bonding procedures outlined above are particularly burdensome to the horsemen who import horses for claiming races in the United States. The majority of races in the United States are claiming races. Claiming races are designed to ensure that the horses in any specific race are of comparable ability by requiring that all horses in the race may be purchased at a price established for the particular race. For example, horses running in $5,000 claiming races may be purchased for $5,000. Of course, the importer of a horse sold in a claiming race which is not returned to the country of origin within the prescribed time limits would have his bond forfeited. Removal of the duty would eliminate the bonding requirements for the importer.

This information from the Department—on these problems of customs valuation and their attendant administrative expenses and difficulties—looms large when compared with the minimal revenues derived from the duty on horses—estimated at a total of only approximately $176,000 in calendar year 1973.

The present tariff structure for horses also operates discriminatorily among different breeds being brought into the country. For example, horses may be imported duty free for breeding purposes if they are thoroughbreds. This rule applies, however, only if they are certified by the Department of Agriculture as being of a recognized breed and duly registered on a book of record recognized by the Secretary of Agriculture for that breed. Inasmuch as the American quarter horse does not qualify under these criteria, importers of such horses for breeding purposes are required to pay duty, usually at 3 percent ad valorem, while other breeds may be entered duty free. Enactment of H.R. 13631 would suspend this discriminatory treatment for a temporary period, during which the new rule's operation may be studied to determine if it should be made permanent, allowed to expire, or continued for an additional temporary period.

URGES THE ENACTMENT OF BILL

Mr. Speaker, I urge the enactment of this bill, and I urge its speedy consideration by the other House.

Mr. SCHNEEBELI. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

H.R. 13631

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart B of part 1 of the appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting immediately before item 903.90 the following new item:

"

	Horses, other than for immediate slaughter (provided for in part 1, schedule 1):			
903.50	Valued not over $150 per head (item 100.73)	Free	No change	The 2-year period beginning day after enactment of this item.
903.51	Valued over $150 per head (item 100.74)	Free	No change	The 2-year period beginning day after enactment of this item."

With the following committee amendments:

Page 1, line 6, strike out "item" and insert "items".

Page 2, strike out the matter appearing immediately above line 1 and insert the following:

	Horses, other than for immediate slaughter (provided for in part 1, schedule 1):			
903.50	Valued not over $150 per head (item 100.73)	Free	No change	On or before 6/30/76.
903.51	Valued over $150 per head (item 100.74)	Free	No change	On or before 6/30/76.

SEC. 2. The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MILLS. Mr. Speaker, I ask unanimous consent that I may extend my own remarks and that the authors may revise and extend their remarks on the three bills just passed.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

REPORT ON RECENT PROGRESS IN AERONAUTICS AND SPACE ACTIVITIES DURING 1973—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. No. 93-283)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Science and Astronautics and ordered to be printed with illustrations:

To the Congress of the United States:

I am pleased to transmit this report on our Nation's progress in aeronautics and space activities during 1973.

This year has been particularly significant in that many past efforts to apply the benefits of space technology and information to the solution of problems on Earth are now coming to fruition. Experimental data from the manned Skylab station and the unmanned Earth Resources Technology Satellite are already being used operationally for resource discovery and management, environmental information, land use planning, and other applications.

Communications satellites have become one of the principal methods of international communication and are an important factor in meeting national defense needs. They will also add another dimension to our domestic telecommunications systems when the first of four authorized domestic satellite systems is launched in 1974. Similarly, weather satellites are now our chief source of synoptic global and local weather data. Efforts are continuing to develop capabilities for worldwide two-week weather forecasts by the beginning of the next decade. The use of satellites for efficient and safe routing of civilian and military ships and airplanes is being studied. Demonstration programs are now underway aimed at improving our health and education delivery systems using space-age techniques.

Skylab has given us new information on the energy characteristics of our sun. This knowledge should help our understanding of thermo-nuclear processes and contribute to the future development of new energy sources. Knowledge of these processes may also help us understand the sun's effect on our planet.

Skylab has proven that man can effectively work and live in space for extended periods of time. Experiments in space manufacturing may also lead to new and improved materials for use on Earth.

Development of the reusable Space Shuttle progressed during 1973. The Shuttle will reduce the costs of space activity by providing an efficient, economical means of launching, servicing and retrieving space payloads. Recognizing the Shuttle's importance, the European Space Conference has agreed to construct a space laboratory—Spacelab—for use with the Shuttle.

Notable progress has also been made with the Soviet Union in preparing the Apollo-Soyuz Test Project scheduled for 1975. We are continuing to cooperate with other nations in space activities and sharing of scientific information. These efforts contribute to global peace and prosperity.

While we stress the use of current technology to solve current problems, we are employing unmanned spacecraft to stimulate further advances in technology and to obtain knowledge that can aid us in solving future problems. Pioneer 10 gave us our first closeup glimpse of Jupiter and transmitted data which will enhance our knowledge of Jupiter, the solar system, and ultimately our own planet. The spacecraft took almost two years to make the trip. It has traveled over 94,000 miles per hour—faster than any other man-made object—and will become the first man-made object to leave our solar system and enter the distant reaches of space.

Advances in military aircraft technology contribute to our ability to defend our Nation. In civil aeronautics, the principal research efforts have been aimed at reducing congestion and producing quieter, safer, more economical and efficient aircraft which will conserve energy and have a minimum impact on our environment.

It is with considerable satisfaction that I submit this report of our ongoing efforts in space and aeronautics, efforts which help not only our own country but other nations and peoples as well. We are now beginning to harvest the benefits of our past hard work and investments, and we can anticipate new operational services based on aerospace technology to be made available for the public good in the years ahead on a routine basis.

RICHARD NIXON.

THE WHITE HOUSE, *April 8, 1974.*

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. BRADEMAS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 148]

Abzug	Frelinghuysen	Owens
Anderson, Calif.	Froehlich	Patman
Andrews, N.C.	Giaimo	Pepper
Armstrong	Gibbons	Peyser
Aspin	Green, Oreg.	Pickle
Badillo	Griffiths	Quillen
Bell	Gubser	Regula
Biaggi	Guyer	Reid
Blatnik	Hanley	Rhodes
Boggs	Hansen, Wash.	Rodino
Bowen	Harrington	Rogers
Brasco	Hawkins	Roncallo, N.Y.
Breaux	Heinz	Rooney, N.Y.
Brinkley	Holifield	Roy
Burke, Calif.	Jones, Tenn.	Ruppe
Carey, N.Y.	Kazen	Satterfield
Chappell	Landrum	Seiberling
Chisholm	Litton	Shipley
Clark	Long, La.	Shoup
Clay	Lott	Slack
Cochran	McCloskey	Smith, N.Y.
Cohen	McEwen	Staggers
Conyers	McKay	Steele
Crane	McSpadden	Stubblefield
Cronin	Madigan	Teague
Culver	Maraziti	Thompson, N.J.
Daniels, Dominick V.	Matsunaga	Ullman
	Melcher	Walsh
Danielson	Metcalfe	Wiggins
Davis, S.C.	Milford	Wilson, Bob
Dellums	Mizell	Wilson, Charles, Tex.
Dent	Mollohan	
Derwinski	Morgan	Wyman
Dorn	Mosher	Young, Fla.
Eshleman	Murphy, Ill.	Young, Ga.
Flowers	Nix	
Ford	O'Neill	

The SPEAKER pro tempore (Mr. MCFALL). On this rollcall 325 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

REREFERRAL OF H.R. 4894, FOR RELIEF OF THE SOUTHEASTERN UNIVERSITY OF THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE DISTRICT OF COLUMBIA

Mr. DIGGS. Mr. Speaker, I ask unanimous consent that the Committee on the District of Columbia be discharged from the further consideration of the bill (H.R. 4894) for the relief of the Southeastern University of the Young Men's Christian Association of the District of Columbia, and that the bill be rereferred to the Committee on the Judiciary.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

DISTRICT OF COLUMBIA BUSINESS

The SPEAKER pro tempore. This is District of Columbia day. The Chair recognizes the gentleman from Michigan (Mr. DIGGS), chairman of the Committee on the District of Columbia.

EISENHOWER MEMORIAL CIVIC CENTER SINKING AND SUPPORT FUNDS ACT OF 1974

Mr. DIGGS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12473) to establish and finance a bond sinking fund for the Dwight D. Eisenhower Memorial Bicentennial Civic Center, and for other purposes, and

pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited to not to exceed 1 hour, to be equally divided and controlled by the gentleman from Minnesota (Mr. NELSEN) and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 12473, with Mr. PRICE of Illinois in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Michigan (Mr. DIGGS) will be recognized for one-half hour, and the gentleman from Minnesota (Mr. NELSEN) will be recognized for one-half hour.

Mr. REES. Mr. Chairman, this bill is an attempt to make sure that the Eisenhower Civic Center will be a financial success, and it will not come back to Congress for funding, and that the general taxpayers of the District will not be asked to finance the Center.

Mr. Chairman, when the original bill came through authorizing the construction of the Eisenhower Center I was one of those who voted against the bill because I was very dubious as to the financial projections on the financing of this center.

When the Committee on the District of Columbia was called upon to give its approval of the plan of the Eisenhower Center I still did not feel that the projections of the district were adequate. We did some of our own in-House projections, and it was felt that we needed to set up a definite financing plan for this Center if it were to be feasible and make its way financially. We did not want to have the situation that we now have with RFK Stadium, where none of the principal payments have been paid on the bonds, and only one-half of the bonds have been financed by the events that have been held at RFK Stadium.

We will create by this bill two funds. One is a support fund. Into the support fund goes revenue from the Convention Center.

No. 2, we have per delegate spinoff funds going into the fund. Let me explain how that works. We are going on the assumption that every delegate who goes to the convention will be spending x amount of dollars in Washington, and that probably at least $3 of that would be in the form of sales taxes, so that we are putting into that fund $3 per head per day per delegate, and that is a very low assumption, assuming that the delegate is only going to spend $50 a day. Projections are that the delegate spends more than $50 a day, but we are using low projections.

No. 3, we have a tax increment revenue. The Eisenhower Center is in the redevelopment area, Mount Vernon Square. This area is depressed. It really does not pay very much at all in property taxes. We are assuming that if the Convention Center goes in, it will generate a great deal of property tax because already there are commitments for several hundred million dollars for new construction in the redevelopment area if the Convention Center goes in. These are hotels, shops, stores. So what we do is take the property tax income today, and then we will take the property tax income as the property goes up in value, and 25 percent of that increment goes into the fund.

The fourth area of income would be from the $14 million authorization that was authorized in the original legislation creating the Eisenhower Civic Center that must be appropriated by the Committee on Appropriations. If they appropriate these funds would go into the support fund.

If we find that all of these revenues will not pay for the overhead or will not pay for the principal and interest payments, we will then have to depend on a bond sinking fund. The bond sinking fund is to back up the Eisenhower Center to make sure that it is paid, not by Congress, not by the general taxpayer, but by those who would benefit by the Center.

The first tax is a 1-percent tax on hotels. The hotels have already agreed to this, and this tax would be triggered in the middle of next year.

No. 2, if, with that money from the hotel tax building up a bond sinking fund of $5.5 million, which is 1 year's principal and interest payment, is not enough——

The CHAIRMAN. The time of the gentleman has expired.

Mr. DIGGS. Mr. Chairman, I yield 5 additional minutes to the gentleman from California.

Mr. REES. I thank the chairman.

What we have, No. 2, is a special assessment district that covers all of the commercial property in downtown Washington, so that if none of these funds cover principal and interest, then there will be a special assessment, a property tax special assessment, which will then pick up the balance of the deficit. We also have interest on the money in the sinking fund, because this will be invested in some type of Government Treasury note. This is a complete cycle of financing. Those that are to benefit by the Convention Center are those that will have to pay for the Convention Center if their original projections do not work out.

I have here endorsements from the Metropolitan Washington Board of Trade that represent practically all the business in the commercial areas that will be backing up this project.

I have a telegram of support from the Hotel Association. They are willing to be taxed 1 percent so they can have this Convention Center. I have a telegram of support from the Federal City Council and a telegram from the Washington Area Convention and Visitors Bureau and one from the Washington Board of Realtors. I think this can be a successful project. It is not going to be tossed into the laps of the taxpayers, either national or local, and it is going to generate business and pick up an area in Washington which has been a depressed area, an area that is not producing tax revenue.

The Eisenhower Center is needed for this city. If we do not have this additional tax revenue, this Convention Center, there could be problems with the city's tax base going down further and further as time goes by, and many of the businesses in the central city might leave for the suburbs of Virginia and Maryland.

I think in terms of developing Washington this is a good project because it will be self-financed by those people who benefit from the project.

I would urge all Members to support this bill.

It has been worked out with members of our committee and we have discussed it also with the Appropriations Committee and with the equivalent Senate committees and I find generally there is support for this concept of self-financing of the Eisenhower Convention Center with a referendum.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, how does the gentleman suppose his telegrams will read when this thing falls flat on its face, as have all other such deals? Will the telegrams then demand that "Uncle Sugar" step up to the platter and take a swing with a bundle of cash?

Mr. REES. Under this bill it does not matter what they feel like. What it says in the bill is that there shall be a special support fund in that area and so those gentlemen who have been sending in these telegrams will have to pay if this Center is not a financial success. There is no way under this bill in which they can come back to "Uncle Sugar" and hit the general taxpayers either in the District of Columbia or in the country.

I explained to the gentleman my projection is one-half of the projections of those associations who support the project, and even with those rather dismal projections I made for them, those people said they were willing to back this Center. I think it, with this financial plan, the project will be a success.

I think their support is good enough for me.

Mr. GROSS. The gentleman is one in a long line of those who have stood in the well of the House and promised that these projects would never cost the taxpayers of the country a single dime. No, never. What does the gentleman think is going to happen next year when the bonds come due on the white elephant known as the RFK Stadium?

Mr. REES. If there had been a bill like this for the RFK Stadium, we would not have to swallow those bonds. That is why I voted against that Eisen-

hower Center and wrote this bill, to make sure this would not come back in our laps.

Mr. GROSS. If this does not generate the income anticipated, then we will have another big white elephant in another place in the District of Columbia. What will we do with it then?

Mr. REES. It will be the white elephant of the business community of Washington, D.C. It will not be the white elephant of the Congress of the United States.

Mr. GROSS. It will be when we amend the law.

Mr. NELSEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am also one of the Members who voted against the Eisenhower Civic Center when it was just proposed October 3, 1972. However, it carried by a vote of 199 to 183 on a motion to strike the Civic Center from that original bill. An amendment was offered for an oversight committee which carried by 250 to 137, which meant that the bill would have to come back to the Appropriations Committee and to the District of Columbia Committee.

The bill then passed by a vote of 210 to 169 and was enacted into law as Public Law 92–50; so the decision has already been made. Anything that we do here is to try to bolster feasibility of this project with the amortization bill we take up today, if we can call it that. As a result of this bill, and we have done a good deal of work on it, particularly the gentleman from California (Mr. REES) we in the District Committee have tried to give this Congress some assurance, at least a strong indication of interest on our part, to see to it that there is a tax and sinking fund plan that would meet our own concerns as well of all Members of the House as to the financial feasibility of this project.

When we consider investments like this in the District of Columbia, I am reminded years ago how on the farm every spring we would buy baby chicks. The catalog that was issued advertising them would refer to the flock from which these birds based on their ROP—record of performance. So the assumption was that if the mother hen laid 200 eggs in a year, that the pullet would probably do as well or better.

Now, the record of performance, as has been mentioned, as far as the Kennedy Center, the RFK Stadium, and other things that we have put our minds to try to implement in the past about the only thing we got from the pullet was some eggs in our faces. It did not pay out in all cases.

However, I believe we have a plan that, I think, is one of the most studied plans that we have ever had, where there is the same assurance through the revenues generated in the benefit areas downtown that go into earmarked support and sinking funds where the Civic Center benefit areas will be producing income, instead of little, or some cases, no income at all.

Now, this morning I took a trip around town and I went down in the area in the heart of our Federal City where this Civic Center will be built. Believe me, it needs attention. It needs attention locally and as our Federal City.

Here we have a picture [demonstrating] of the area that we are talking about. It is not producing much revenue. It is not producing income in the way of taxes in adequate amounts to meet expenses in this city. It is a badly deteriorated situation in this area of the city. It needs rebuilding.

Now, then, we have a picture [demonstrating] of the Civic Center that would be constructed, which this House has voted to proceed with in 1972, but have not given the proper attention to finance a plan which we first voted that would substantially assure its financial independence. That has now been done in Mr. REE's bill.

Here you see [demonstrating] four city blocks. This Center would be there and around the Center we can see what has already taken place, where commitments to build have been made or are contingent on the construction of the Civic Center.

For example, over here [pointing to the hotel that would be built] the total dollars invested in this area for proposed construction is $7.5 million in this spot.

Over here, $22 million; $500 million here and plans are already underway for the construction of a hotel here, provided the Civic Center is constructed.

Here is $100 million here. Here is $15 million. Here is $3.2 million [indicating]. Altogether the reconstruction is estimated to reach $372 million.

Now, some may ask the question, "Why are some of these so far away?" The point is that this entire area needs to be developed. The theory is—and it is a theory—that if this money goes in there, this entire area will begin to develop. Some construction will be adjacent, some will be blocks away and then construction will begin in between the sites.

Now, the question always comes up, "What about parking?" It is true that in the plan itself the parking is limited; but it is also a part of a plan that when this area is developed, there will be more parking, but it will be private parking not publicly subsidized as it is in many cities.

Moreover, we have the subway system which closely connects with hotels and other downtown areas easily accessible to the Center.

Now, a feasibility study was made by a very competent firm.

The feasibility study indicated that this Center could pretty much stand on its own without the financing plan that has been produced in this bill, and if it is true that it could stand on its own, certainly with the Rees plan—H.R. 12473—added, there is bolstering and contributing assurance that it will be safer, it will be more assured of success than it originally was thought to be.

Now, the District of Columbia has only two principal sources of business income. One is the Government—Government employees, et cetera—and the Federal City is where our Government is housed; and the other is tourism. The only way that this city could ever become to some degree independent of taxes coming from the Federal payment—from Minnesota, from Iowa, from Michigan, from all over the United States—if there is tax-income-producing property in the District of Columbia, which we do not have enough of. If the people here in the District of Columbia are to have jobs and income, there is going to have to be something that will enhance and build on one of the city's principal sources of income—tourism. The Civic Center will do this.

So I would feel that, having first voted no on the Civic Center in 1972, and not having prevailed, I endorse the careful plan that the gentleman from California (Mr. REES) has worked out. I do this having in mind that there are those who want the people to have a vote on it, and I am certainly willing to go along with that idea and let the referendum go and let the people have a voice.

Now then, as to the City Council, there has been some division there on the Civic Center which is not too important, but I feel that there was a little politics creeping into that, as testified to by some. At the same time, I am convinced, as a Minnesota farmer and a taxpayer, in the interests of my Federal City and your Federal city, that something needs to be done to help the city become more financially independent. A Civic Center, in my opinion, will help do this. The Mayor agrees.

We point to all of the failures that have occurred in financing projects in the District, and seemingly our economy votes sometimes hinge around money that goes to our Federal City, and sometimes it is justified; sometimes it is not. But, I would like to point out with some pride again to one of the things we did in the Washington Technical Institute, where was started something that this city did not have. I point with pride to the fact that in the first graduating class, 87 percent of the young people that graduated had a job the day they graduated, because they had a skill, they had a know-how, they had something to go out and earn a living with.

On that basis, I think that investment has paid off and I believe this one will, too, given the Rees financing plan.

Members may ask a question of me or anybody here, is there any sensible reason why any one of us should have any interest at all in this bill concerning Washington, D.C.? My answer is, it is our Federal City. It is your Federal City. After carefully surveying this problem, having voted against it in 1972 because I thought, "Here we go again with egg on our faces," but after the Rees plan was developed, in my judgment this goes a long way toward giving us the assurance that I think we are going to have to help the city and provide a plan to pay off the development debt of the Center.

I believe the bill is a good bill. Some of us have served on the District Committee—and there is very little thanks any of us get for that back home—but my interest in this bill, in this city, is because it is my Federal City, and I think it is up to all of us to exercise concern for it. At the same time, I hope to provide a financing plan that was lacking in the 1972 law. Some of us spent hours and

hours and hours on this plan in the committee, and I think we have had the facts laid before us in a manner that gives me the feeling that we are on the right road to a fiscally sound project that is given a financially sound base with the Rees bill. I hope that this House will pass this bill. We already passed the bill for the Center in 1972, let us give a financially sound base for construction and operation with the bill before you today.

Mr. Chairman, this really is adding a financing plan that I think we ought to have. It gives us a referendum where the people can have a voice in making the decision. I think it is a well-rounded, carefully considered piece of legislation, and I think it is presented in a much better way than was the Kennedy Center or the Stadium, which we all recognize as having presented a little bit of a difficult problem for all of us.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from Kentucky.

Mr. SNYDER. Mr. Chairman, there are a couple of questions I wish to ask the gentleman.

Does the gentleman agree that under the existing plan parking is limited? Will the gentleman tell the Members just how many parking places are provided for under the existing plan?

Mr. NELSEN. Mr. Chairman, there are only 94 to 100 parking spaces provided for in this bill. However, if this entire area is developed, certainly the facilities for parking will grow with the rest of it and be privately financed. We have the subway system, which will directly tie into the Civic Center. The subway is publicly financed, perhaps auto parking should be privately financed.

Mr. SNYDER. How much is that additional parking which is going to be provided for in the future going to cost?

Mr. NELSEN. Mr. Chairman, that will be private development—no public funds.

Mr. SNYDER. Mr. Chairman, if the gentleman will yield further, I have another question.

Mr. NELSEN. Yes, I yield to the gentleman from Kentucky.

Mr. SNYDER. Mr. Chairman, I have just one more question.

The original bill, as it has been alluded to here today, requires the approval of four committees of Congress, two in the House. I read in the newspaper that a subcommittee of the Committee on Appropriations, I believe, unanimously disapproved this. I realize that is not the action of the full committee.

How does the gentleman intend to deal with that?

Mr. NELSEN. Mr. Chairman, one of the requests that came to our attention was the request that a referendum be provided, and we have gone along with that idea, in spite of the fact that our committee originally went along with the bill without a referendum.

However, I think in the legislative process we must recognize the responsibility of all committees and try to work out some kind of an accommodation, which is what we did.

Mr. SNYDER. Mr. Chairman, if the gentleman will yield further, is it the gentleman's thought, then, that if a referendum provision is passed and included in the bill, and the bill is passed, that Subcommittee on Appropriations which I read about in the paper is going to change its mind?

Mr. NELSEN. Mr. Chairman, I do not speak for the Committee on Appropriations. That committee will have its chance to make its decision, as our committee did, when it had its opportunity. I certainly would respect what they do. I have no way of knowing what they will do.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, let me ask the gentleman this:

Were there hearings held on this bill?

Mr. NELSEN. Mr. Chairman, I did not understand the gentleman's question.

Mr. GROSS. Mr. Chairman, I asked the gentleman: Were there hearings held on this bill by the Committee on the District of Columbia?

Mr. NELSEN. There were extensive hearings, yes.

Mr. GROSS. Where are they?

Mr. NELSEN. Does the gentleman mean, where are the hearings?

Mr. GROSS. Yes.

Mr. NELSEN. They are in committee galley print.

Mr. GROSS. Mr. Chairman, I am unable to get them down at the desk.

Mr. NELSEN. Mr. Chairman, I will yield to the chairman of the committee, if there are any further details to be explained.

Mr. GROSS. When were the hearings held?

Mr. NELSEN. Mr. Chairman, we have held hearings at various times in December and March for a long time, I will say to the gentleman from Iowa (Mr. GROSS).

Mr. GRAY. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I will be glad to yield to the gentleman from Illinois.

Mr. GRAY. Mr. Chairman, let me say, as the author of the original authorizing and enabling legislation, we have held five distinct hearings on this matter. One of them was downtown, which is unprecedented. We went to the Mount Vernon Square area.

Also in February, hearings were held before the Committee on the District of Columbia on this very financing proposal.

Mr. GROSS. Mr. Chairman, will the gentleman from Minnesota yield?

Mr. NELSEN. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, let me ask the gentleman from Illinois this question:

Was one of the hearings the one which the gentleman walked out on, allegedly walked out of the hearing?

Mr. GRAY. Mr. Chairman, if the gentleman from Minnesota will yield, I never walked out of any hearing. I walked off a television program which was supposed to be a debate to shed a little light. Instead of shedding a little light, it shed a lot of heat, so I walked off, and that was channel 7. It had absolutely nothing to do with the matter under discussion.

Mr. NELSEN. Mr. Chairman, I might mention that I do not blame the gentleman from Illinois for walking off. I watched the program.

Mr. GROSS. Mr. Chairman, if the gentleman will yield further, I am still wondering where the hearings are.

Mr. NELSEN. Mr. Chairman, I will inform the gentleman that Mr. Hogan of the committee staff will give him the galley print, and I think the facts will be clear.

Mr. GROSS. Will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, if it is not serious enough to have a bound copy, do we have to work from the galley proofs; is that right?

Mr. NELSEN. I am not suggesting that, I will say to the gentleman from Iowa——

Mr. GROSS. That is a galley proof.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I will yield to the gentleman from California.

Mr. REES. Mr. Chairman, I thank the gentleman for yielding.

It is my understanding there were hearings held in December, and there were also hearings held in March. The December hearings were, I think, on the 14th of December, and the other one was on March 7.

We had public testimony and everyone was notified of the hearings, and they were in accordance with the rules of the House.

Mr. GROSS. Except that they are not printed. This is the first I have seen of any hearings of March 7. I am suprised it is not printed.

Mr. GRAY. Will the gentleman yield?

Mr. NELSEN. I yield to the gentleman.

Mr. GRAY. The gentleman from Kentucky asked a question about parking. I would like the record to show that within 800 feet of the site of this Center there are 10,250 parking spaces plus we have a contract and are underway at Union Station with 1,200 additional automobile parking spaces and 700 places for buses. It is only eight blocks distant, and we plan to have a shuttle service running directly from the Visitors' Center up to the Ninth Street underpass in the center of this facility, and we expect to have the first leg of the Metro in Union Square, so we will have ample parking and visiting facilities.

Mr. NELSEN. I thank the gentleman from Illinois.

Mr. Chairman I wish to insert at this point my additional views (joined with by Mr. REES) as they appeared in the report (No. 93-923) accompanying H.R. 12473:

ADDITIONAL VIEWS OF REPRESENTATIVE THOMAS M. REES AND REPRESENTATIVE ANCHER NELSEN ON H.R. 12473, AS AMENDED

We support the provisions of H.R. 12743, which establishes a sinking fund to meet the interest and principal payments of bonds issued pursuant to the Public Buildings Act of 1959 to provide for the construction of a convention and civic center in the District of Columbia and to establish a support fund

for the convention and civic center in order to insure a financially sound project.

Public Law 92-520 authorized the construction of the convention and civic center, but pursuant to an amendment added in the House, the construction of such convention and civic center was predicated on the submittal to and approval by Senate and House Committees for the District of Columbia and the Senate and House Committees on Appropriations of the design plans and specifications, including cost estimates, of such convention and civic center. No purchase contract for the construction of such center may be entered into by the District Government or the corporation or entity authorized to construct such center without such approval.

When the matter of the authorization of the construction of the convention and civic center came up on the Floor on October 3, 1972, we voted against the measure for reasons, among others, which we believe are addressed and corrected by this bill.

The unfortunate record of RFK Stadium, both as to its original cost estimates and its annual earnings as projected at the time of its approval, was very persuasive to us in voting not to permit a repetition of this type of construction project and financial undertaking. We were also mindful of the recent experience of Congress in funding the JFK Center for the Performing Arts and the escalating costs of the Metro subway system now under construction in the District of Columbia and its suburbs.

However, we support this bill as a measure which addresses these earlier cited criticisms, which heretofore had some validity, but which are provided for and corrected by the provisions contained in this legislation as noted below:

1. The design plans and specifications, including detailed cost estimates of the convention and civic center, have been subjected to considerable review; detailed examination and additional concessions have been made which have resulted in House District Committee approval of the project.

The District of Columbia has agreed that the following actions will be taken with respect to the Center:

(a) That the Commissioner will insure that all purchase contracts for the financing, design, and construction and maintenance of the convention and civic center are let to "the lowest and best bidder as determined by the Commissioner" under usual competitive bid procedures.

(b) That a value engineering study will be undertaken by the District Government to insure that the design plans and specifications of the convention and civic center as submitted to this Committee are subjected to professional examination, so as to obtain optimum value for every dollar spent on this project.

Meanwhile, the District Government has conducted and submitted to the Committee a concept design report under contract with certain architects and engineers, wherein data was collected and analyzed which included examination of the construction and operation of convention and civic centers in a number of other cities, as well as specific plans and designs for the convention and civic center planned for the District of Columbia. All of this material was reviewed and examined by the Environmental Protection Agency to determine that it met with certain environmental impact standards as they relate to the particular location of this convention and civic center. In addition, the matter was examined in detail in hearings held before the District of Columbia Council, at which a number of local citizens, economists, etc., appeared and testified for and against certain aspects of the Center. The Council approved the design specifications and cost estimates and forwarded the matter to this Committee.

2. The bond sinking fund and support fund, as well as the taxes and revenues provided for in this bill, avoid some of the problems encountered with the RFK Stadium and provide the protections necessary to insure that the construction costs and the operation of the convention and civic center will to the optimum extent possible guarantee that the financial integrity and the soundness of management necessary to insure that overall this project will be economically sound and not constitute a burden to the District residents.

The thrust of this bill is to insure to the maximum extent possible that taxes are imposed in a benefit area, that revenues are realized from the benefit area, and that there are recoveries for the operating costs of the Center from the monies expended by delegates attending conventions at the Center that will place the support and bond sinking funds in a liquid condition that insures financial soundness. Accordingly, there will be adequate financing to meet the operating needs of the convention and civic center and there will be adequate funds to handle the debt servicing of the bonds that are issued to cover the costs of the construction of the convention and civic center. A general outline of how the funds are established, when the funds are used, and special features of the funding and taxing provisions of this bill are as set forth below:

FUNDS ESTABLISHED

(a) *Support Fund.*—Composed of:

(1) Gross revenues from Center's operations.

(2) 25% of the increase in real estate tax collections over FY 1974 occurring in the Civic Center Economic Impact Area. (Identical to downtown urban renewal area)

(3) General fund revenues equal to $3.00 per convention delegate per convention day. This represents an estimate of the average D.C. taxes received from spending by convention delegates.

(4) Monies appropriated from $14 million Federal payment authorized in P.L. 92-520.

(b) *Bond Sinking Fund.*—Composed of:

(1) Revenues from a 1% increase in the tax on hotel rooms effective FY 1976 (raises $1 million annually).

(2) Revenues from increase in real estate tax for commercial establishments in modified downtown business district, as defined by Census Bureau (rates set by City Council).

WHEN FUNDS ARE USED

(a) Support Fund used to meet all of Center's operating costs, and to make payments on loans for building the Center.

(b) If Support Fund monies insufficient, *Bond Sinking Fund* monies are used to pay off loans.

SPECIAL FEATURES

(a) Hotel tax paid into Bond Sinking Fund is removed when that fund builds up to an annual loan payment (about $6 million). Tax is triggered back on when Sinking Fund drops below this amount.

(b) Real estate tax takes effect only when Sinking Fund dips below $100,000. Is removed when fund builds back up to an annual loan payment.

3. The benefits to be derived by the District of Columbia from the rejuvenation of the area surrounding the convention and civic center are substantial. There is little question but what one of the largest businesses in the District of Columbia is its attraction as a tourist center. The convention business is a big business throughout the country, and the increase in tourist dollars spent in the District by reason of the construction of the convention and civic center will be considerable. Based on the information set forth in the table below, the average person attending a convention stays an average number of days and spends an average amount of money:

GENERAL SERVICES ADMINISTRATION—CONVENTION DELEGATE EXPENDITURES

	IACB national averages [1] (percent)	IACB survey, Washington D.C.[2] Average [2] expenditures (1971 dollars)	IACB survey, Washington D.C.[2] Percentage
Hotel rooms	33.69	$85.30	40.70
Retail stores	11.92	17.16	8.19
Restaurants (except hotel)	12.61	32.13	15.33
Hotel restaurants	12.90	25.64	12.23
Beverages	5.59	13.28	6.34
Night clubs, sports	4.89	7.33	3.50
Local transportation	4.09	10.71	5.11
Car, gas, oil, service	5.98	4.06	1.94
Theater	1.03	.62	.30
Sightseeing	1.50	4.30	2.05
Other	5.80	9.04	4.31
Total	100.00	209.57	100.00

[1] Source: 1966 IACB national survey—convention delegate expenditures.
[2] Source: Washington Convention and Visitors Bureau (adjusted to 1971 dollars).
[3] Source: Washington Convention and Visitors Bureau—over 4 days are spent by the average delegate at a convention.

It is estimated that two to four years after the Center opens it will have 222 days per year utilized by conventions and other events. Further it is estimated that within that period when the Center is in full operation, it will be utilized by 342,000 delegates. Thus, it can be readily seen that convention business will greatly stimulate local District businesses and there will be substantial amounts of sales tax revenue collected by the District as a result.

The projected amount of new developments in the downtown Washington area, which may be attributable in large part to the Center over the period 1975–1980, is estimated as follows: [1]

Quality Inn—Downtown—14th and Massachusetts Avenue	$7,500,000
Hyatt Regency—New Jersey and D Street	40,000,000
Prime Land Bank, Inc.—7th, 8th, I, K Streets	50,000,000
Parking garage—9th and G	3,200,000
1,000-room apartment building (renewal site) at 5th and K	22,000,000
Mixed use development on renewal sites at 12th and G, and 7th and G	100,000,000
Two hotels (sites confidential)	30,000,000
C&P headquarters building, 8th and G Streets	15,000,000
Development of 15 parcels, which have been assembled by developers, are now largely vacant, used for parking lots, and zoned for hotel or intensive commercial use (this does not take into account any development resulting from the Pennsylvania Avenue Plan)	105,000,000
Estimated total value of new development	372,700,000

The foregoing is exclusive of the escalation in the property values that will result because of the construction of the Center

[1] Source: District of Columbia Government.

in the downtown area. The real estate tax revenue as expected will be realized by the District of Columbia from 1975 through 1985 is as follows:

Real estate tax revenue increase expected from redevelopment

1975	0.2
1976	.8
1977	1.6
1978	2.0
1979	2.8
1980	3.2
1981	3.6
1982	4.0
1983	4.4
1984	5.0
1985	5.6

The foregoing is illustrative of the kinds and varieties of benefits that will be derived in terms of increased tax revenues, increased business and increased construction and development in downtown Washington as a result of proceeding with the convention and civic center. The fact that we have added the protection of H.R. 12473 to the Center project so as to insure the financial viability of the project and thus greatly enhances the prospects that the rejuvenation of downtown Washington, and the benefits which are side effects of that rejuvenation, will be derived to the interest and benefit of the District of Columbia and its residents.

For the foregoing reasons, we support H.R. 12473, and we also urge you to support it.

THOMAS M. REES.
ANCHER NELSEN.

I now yield 5 minutes to the gentleman from Virginia (Mr. BROYHILL).

Mr. BROYHILL of Virginia. Mr. Chairman, I wish to urge the support of my colleagues for the bill H.R. 12473, which provides a fiscal program assuring the financial viability of the proposed Dwight D. Eisenhower Memorial Bicentennial Civic Center here in the Nation's Capital.

The Eisenhower Memorial Civic Center was authorized by Public Law 92–520, approved on October 21, 1972, subject to the subsequent approval of the design, plans, specifications, and cost estimates by the District of Columbia Committees and the Appropriations Committees of the House and the Senate.

After the enactment of Public Law 92–520, a nonprofit organization, known as the Eisenhower Center Corporation, was formed to provide the financing for this project. This corporation has been granted unsecured loans from several local banks in the total amount of some $600,000, to provide funds for the development of the plans for the Center. At this time, preliminary plans have been drawn, and the final plans and specifications are about 30 percent completed, for a civic center and convention facility in the Mount Vernon Square area of the city.

The cost of site acquisition, construction, and equipment of the Center is presently estimated at $80.6 million. When final approval of the project is obtained, the Eisenhower Center Corporation will issue bonds in that amount, the interest on which will be tax exempt. The Center will then be constructed and leased to the city for operation, and the District of Columbia government will then assume responsibility for the payment of principal and interest on the bonds. At the end of a period of 30 years, when the bonds have been retired, the title to the Center will be vested in the District of Columbia.

It is estimated that the debt service on the bonds will be about $5.5 million per year. The operating costs are estimated at some $1.8 million in 1978, the first year the Center is expected to be in use, and this figure is expected to increase to $3 million by 1985. Thus, the total expense accruing to the city is expected to vary from $7.3 million in 1978 to about $8.5 million in 1985.

Spokesmen for the District of Columbia government predict that the Center will generate new revenues to the city in the form of property, sales, and income taxes, which they believe will be sufficient, in addition to the operating revenues derived from the Center, to defray the entire costs incident to the Center.

While this estimate of self-liquidation of this project may well be justified, I and a majority of my colleagues on the House District of Columbia Committee feel that there should be a fiscal plan enacted in connection with the Eisenhower Center which will serve to protect the taxpayers of the District of Columbia and the Federal Treasury alike from the necessity of assuming a burden of fiscal responsibility for this Civic Center in the event the city's predictions fail to materialize as expected. Thus, the bill H.R. 12473 has been designed to afford a protection, a safeguard against such an eventuality, by assuring the liquidation of this entire project, if necessary, by revenues derived largely from those interests in the city which will benefit to the greatest extent from the operation of the Civic Center.

The bill will accomplish this purpose by establishing on the books of the U.S. Treasury, to the credit of the District of Columbia, two trust funds—a bond sinking fund and a support fund.

The Eisenhower Memorial Bicentennial Civic Center bond sinking fund will be established for the purpose of accumulating amounts available for making payments of the principal and interests on the bonds incident to the Eisenhower Civic Center in years when amounts available in the support fund are not sufficient to meet these costs. As I have stated, this cost will be $5.5 million per year.

The sinking fund will be financed from the following sources of revenue:

First. A 1-percent additional sales tax on the rental of hotel rooms in the city. This levy, which will raise the present sales tax on hotel room rentals to 7 percent, will be effective only during "bond-sinking periods." The first such bond-sinking period is to begin on July 1, 1974, and will end on the first day of the first full month beginning after the date when the D.C. Commissioner certifies to the D.C. Council that the amount in the sinking funds is equal to the amount of the total cost of debt service on the bonds for 1 year. Then subsequent bond-sinking periods will begin if and when the amount in the sinking fund falls below that amount, and so on. Thus, this tax will be "triggered" on and off so as to maintain a sinking fund sufficient to meet the debt service costs on the bonds for 1 complete year.

This additional tax on hotel room rentals is estimated to bring in about $1 million per year to the sinking fund, and this new levy for this purpose is supported by the D.C. Hotel Association and by a number of individual hotel owners. It is interesting in this connection to note that two large new hotels are already planned for construction in the Civic Center area when this project is finally approved.

Second. A special real property tax. For this purpose, the bill creates a Civic Center Benefit Area, which will be comprised of all nonresidential real property within the D.C. downtown business district, together with all nonresident real property outside of this district and zoned C–4 or C–3–b as of March 1, 1974. These zoning classifications are selected because they apply to the commercial properties which will benefit to the greatest extent from the presence of the Civic Center in the city. I am advised that these properties outside of the Benefit Area itself are contiguous either to the Benefit Area or to each other, so that all the properties affected lie within a common boundary. This boundary is quite irregular in shape, of course, but it includes roughly that part of the city bounded by Constitution Avenue, Massachusetts Avenue, North Capitol Street, and 19th Street NW.

These commercial properties within the Civic Center Benefit Area will be taxed at such a rate that at the end of a period of 2 fiscal years the total revenues in the sinking fund, after the payment of all annual principal and interest payments, shall exceed $100,000; and after 3 fiscal years, after such debt service payments for those years, there will remain in the fund sufficient money to pay the debt service costs for 1 additional year. This formula is designed to assure an adequate amount in the sinking fund at all times.

This special real property tax will also be triggered on and off. The tax shall apply to any fiscal year following a certification by the D.C. Commissioner on June 15 that the net adjusted amount in the sinking fund is less than $100,000 and when the 1-percent sales tax levied on hotel room rentals is in effect. Then the tax will terminate at the end of any fiscal year in which the D.C. Commissioner certifies that the net adjusted amount in the fund is at least equal to 1 year's debt service cost on the bonds.

Third. Any surplus funds from the support fund.

Fourth. Any interest accruing from the investment of funds in the sinking fund.

It is further provided that the bond sinking fund shall terminate when the U.S. Comptroller General determines that enough funds exist in the sinking fund to pay the total aggregate of principal and interest outstanding on the bonds. At such a time, the D.C. Com-

missioner shall request appropriations of the amount from the fund sufficient to pay off the bonds, any surplus remaining shall be transferred to the D.C. general fund, and the bond sinking fund shall go out of existence.

The Eisenhower Memorial Bicentennial Civic Center support fund will be established for the purpose of making funds available for making payments for operating expenses of the Civic Center, and any other expenses incurred by the District government directly attributable to the construction or operation of the Center. Also, it will provide funds for the payment of principal and interest on the bonds. As I have stated, in any year when the money in this support fund is not sufficient to meet the debt service costs on the bonds, then sufficient funds for this purpose will be made available from the sinking fund. And on the other hand, when the amounts in the support fund are more than sufficient for all the above-mentioned purposes, any reasonable amount of such surplus may be appropriated to the bond sinking fund.

The support fund will be financed from the following sources of revenue:

First. Amounts appropriated by the Congress from the Federal Treasury as authorized in Public Law 92-520. Section 4(a) of that act authorizes the appropriation of a maximum of $14 million of Federal funds to ease the financial burden on the D.C. government's budget during the initial years of the Eisenhower Civic Center.

Second. Twenty-five percent of the increased revenues derived each year from the regular real property tax on all real properties located in the Civic Center Development Impact Area, which is the downtown urban renewal area as defined in the comprehensive plan adopted by the NCPC—and not to be confused with the special real estate tax Civic Center Benefit Area described earlier in this text.

Since the Civic Center will inevitably lead to a substantial increase in the value of all real property located in this downtown area, there will be a corresponding increase in the real property tax revenues derived from such properties. In computing this 25 percent of such increment which will accrue to the support fund, the fiscal year 1974 will be used as the "base year," and all increases in the tax yield will be computed using the tax collected in the area during that fiscal year 1974 as the standard. The remaining 75 percent of this increase will of course go into the D.C. general fund.

It is estimated that this tax will yield $1 million to the support fund in 1978, and that it will increase to $2.8 million in 1985.

Third. Gross receipts derived from the operation of the Civic Center. These revenues have been very conservatively estimated, assuming only two-thirds of the city's estimate of the anticipated attendance, at $500,000 in 1978 and increasing to $1.6 million by 1985.

Fourth. Revenues, which would otherwise be deposited in the D.C. general fund, amounting to $3 per delegate at the Center per convention-day. It is estimated that the average delegate to a convention stays for at least 4 days and spends at least $50 per day during his stay. The revenues referred to represent a portion of the sales tax yield which will accrue from these expenditures. It is estimated that the income to the support fund from this source will amount to some $800,000 in 1978 and will rise to $3.4 million in 1985.

The bill further provides that whenever the amount in the sinking fund equals the cost of the debt service on the bonds for an entire year, any surplus existing in the support fund will then go into the D.C. general fund—rather than into the bond sinking fund.

The annual debt service for these Civic Center bonds is to be included within the ceiling imposed in the Home Rule Act, which provides that debt service payments may not exceed 14 percent of the city's total revenues in any fiscal year.

It is further provided that the U.S. Comptroller General shall make an annual audit of both of these funds, and report his findings to the Congress, the President, and the D.C. Commissioner and the D.C. Council.

The provisions of this proposed legislation will become effective on the date of enactment into law, or the date when final approval of the Civic Center is obtained, whichever occurs later.

I wish to commend my colleague, Congressman REES, for his diligent work in developing this excellent piece of legislation. This concept of the two special trust funds, financed entirely by the users of the Civic Center, the real estate owners in the area whose property will be enhanced in value by the Center, the commercial interests in the city which will benefit particularly from its operation, and the Federal Government to the extent authorized by the Congress in the act of 1972, will afford a financial stability to this great enterprise and an assurance that neither the Federal Government nor the District taxpayers in general will be subjected to any financial burden in connection with the Eisenhower Civic Center under even the most adverse circumstances. And I am particularly pleased that the two "special" taxes involved, the added sales tax on hotel room rentals and the added real estate tax on commercial properties, will be imposed only during those periods when they may be needed.

I cannot express too strongly my conviction that the construction of this proposed Civic Center is vitally important to the District of Columbia. The site chosen for the Center is ideal from every standpoint, and this facility in that location will spark the revitalization of that section of downtown Washington, which has been deteriorating rapidly in recent years. The Center will create new jobs and bring additional revenues to the District of Columbia government, and thus will be a boon to the economic well-being of the entire city.

In my opinion, it is a disgrace that our Nation's Capital is the only major city in the United States which does not have adequate facilities to accommodate the larger national and international conventions, nor a civic center for those activities which are essential for the enrichment of urban living. The proposed Eisenhower Memorial Bicentennial Civic Center will fill both of these needs, and will also be an active and fitting memorial to the late President Eisenhower, who took such a strong interest in the welfare of this Capital City.

Enthusiastic support for this project has been expressed by the Commissioner of the District of Columbia and a majority of the members of the District of Columbia Council, the District of Columbia Redevelopment Land Agency, the District of Columbia Board of Trade, and by bankers, hotel owners, and other leaders in the business community.

I commend this excellent bill to my colleagues for favorable action at this time.

Mr. NELSEN. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland (Mr. GUDE).

Mr. GUDE. Mr. Chairman, I rise in very strong support of this legislation. I think this whole question of the Eisenhower Civic Center has been very thoroughly discussed. We owe a great debt of gratitude to the gentleman from California (Mr. REES), who has developed this plan. I believe if anyone remains who questions the financing will take the time to look into it, he will see that we do, indeed, have a sound financial plan here, and one which, above all, will not be a burden upon District residents. Through the establishment of these special support and sinking funds, we are providing a means of financing which essentially places the financial responsibility upon the shoulders of those who will gain most from the Center.

I hope the House will give this legislation its very strong support. It is very important to the revitalization of our downtown area, and it is going to mean a great deal to the city of Washington.

Mr. DIGGS. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana (Mr. MYERS).

Mr. MYERS. Mr. Chairman, I applaud the gentleman from California for his efforts to devise a program that would take off of the hook the American taxpoyer. I am not at all sure it is going to accomplish this, but I rise now with some question and reservation about the plan as has been presented here this afternoon.

First, in the bond sinking fund, the gentleman provides for a hotel tax, adding 1 percent to the existing 6 percent hotel tax. Who is going to pay this additional 1 percent? Is it only the people who will be visiting the Convention Center in Washington, D.C.? No, not at all. It is going to be the Members' constituents who come to visit them or who come to visit their Nation's Capital, most of whom could care less about the Convention Center and probably will never know it even exists. So it is going to be the Nation's taxpayers paying an additional fund into this hotel sinking fund.

Second, it provides for a Civic Center benefit area assessment. This means that they are going to either specially assess real estate property owners or provide a special rate—and it says in the bill commercial properties—in that par-

ticular area. I understand that is what this map over here means. But I have some questions about this.

Back during the supplemental hearings when the District was before our subcommittee, Mr. Coppie answered my question—and this has to do with a court decision by the Supreme Court most recently affecting real estate property taxation in the District of Columbia, where the District was found to have a variable assessment rate in different sections of the city. My question was:

Mr. MYERS. Did the court say the valuations had to be set at 55 percent for both residential and commercial properties, or all should be equal?

Mr. COPPIE. . . . it was the mandate of the court that the residential and the commercial be at the same assessment rate.

Then Mayor Washington added:

One they mandated 55; two, they said there should be an equitable rate, which meant a uniform rate.

Later I reiterated the same question. My question was:

They (residential and commercial property rates) are at the same level fixed by the court?

Then Mr. Robbins, who is counsel handling this appeal in the courts presently said:

No; the Court said we would have to do it by rule-making proceeding.

We held a meeting, and our office was asked for a legal opinion, and we told them that under the law that all real property in the District had to be assessed at the same rate.

Mayor Washington:

The real problem that flowed from the setting of 55 by the Court was then to fix in law that 55 percent of assessed value, which meant we had to deal also with the supplement court action which said you have a uniform rate.

Mr. MYER. Then it is the judgment of the District of Columbia that all real property must be assessed and rated the same, whether it be commercial or multiunit residential.

Mr. WASHINGTON. That is the equalization principle the Supreme Court laid down.

So I do not know how we can have a different rate when the courts just in the last year have held in the District of Columbia that is illegal.

Then I have a last question.

Mr. REES. Mr. Chairman, will the gentleman yield on that point?

Mr. MYERS. I yield to the gentleman from California.

Mr. REES. Mr. Chairman, I am very familiar with the property tax situation in the District of Columbia and I am currently working on legislation which would rewrite the tax law.

What the Court decision said was that on a general tax rate all property had to be assessed at the same rate. It did not say that a city could not put together a special assessment district.

In California, for example, we financed much of our growth through special assessment districts, so on my tax bill in Los Angeles I find I am paying taxes to four or five different special assessment districts, that were created for special situations, for example, the metropolitan water district, the mosquito abatement district, and so on.

This is an established principle of law that one can have a special assessment district.

The original district in the tax base has to be treated equally, yes, but we can create a special assessment district for a special purpose, and this is a special assessment district for a special purpose.

So the gentleman's observation I do not think is anywhere on point in terms of the Court decision in the District of Columbia in regard to the variable assessment between residential and commercial.

Mr. MYERS. I will respond. It is not my judgment on this situation. It was an answer in response to my question made by both the Mayor, and Mr. Coppie, as well as his counsel, Mr. Robbins. All three answered the question that they had to have the same rate in all areas of the District of Columbia.

Mr. REES. They were not talking about special assessment districts. I must say after dealing with the special assessment districts in the legislature and the Congress for nearly 20 years, I think they were talking about the tax base in general and not special assessment districts.

Mr. MYERS. I think that remains to be seen.

Section 9 of the bill provides that in the support fund there shall be credited from the general fund of the District of Columbia to the support fund, and that is to be figured semiannually, as I understand it, about the number of delegates who have attended that Center in the previous 6 months. I do not know what calculations have been made, but in the present taxation of the sales tax, an individual attending a convention would have to eat $50 worth of food and $25 of drinks and would have to buy $15 worth of clothing each day to pay this sufficient tax, of $3 per day. I do not think most conventioners spend that much.

Mr. REES. Mr. Chairman, if the gentleman will yield further, the gentleman is talking about a delegate spending probably $100 to $150 a day, and that would generate at least $3 a day in tax revenue. All we have to do is spend $50 and we have reached 6 percent. I suspect they will be spending three times that. As I say, all the figures were cut down from the estimates made for other cities.

Mr. MYERS. I do not know. I have never spent $50 a day for food and I could not drink $25 of drinks and they would have to spend an additional $15 in clothing or something else to generate $3 of taxation.

Mr. REES. The gentleman is putting all his eggs in one basket. We are talking about at least $50 here.

Mr. MYERS. We have already tapped the hotel room cost once for an additional percentage.

Mr. REES. I know, but there is another 6 percent in there that they already pay. What this 1 percent is, is the additional 1 percent to the existing 6 percent tax they are paying.

Mr. MYERS. This allows nothing for the additional services that the District of Columbia will have to provide out of the authorization funds.

Mr. REES. Oh, it certainly does, this project only takes 25 percent of that and the balance goes for the general services.

Mr. VANIK. Mr. Chairman, I am opposed to this legislation to provide for the financing of the Bicentennial Civic Center.

Washington is already a mecca for tourists. It is one of the most beautiful and exciting cities in America—and it has been made beautiful by the tax dollars of the rest of the Nation. Washington does not need any more visit inducements. It does not need to become a convention center. It should not be promoted as a convention center. The city has already been provided—at the expense of all the Nation's taxpayers—with a cultural center with three enormous theaters. The stadium will become substantially the obligation of the Nation's taxpayers. The D.C. Armory—used largely as a convention center—was supported by the Nation's taxpayers.

All of our Nation's major cities could be more pleasant to live in, with beautiful buildings, parks, and plazas, if they had received even a small fraction of the assistance the city of Washington has received in the downtown Federal area.

We are building a marble Rome along the banks of the Potomac, based on tax dollars which must be drawn from the other cities of America. It is time that some of those tax dollars and those urban improvement programs were provided to other major cities.

Washington has quite a lot going for it—it simply does not have to be "everything U.S.A."

Mr. MAZZOLI. Mr. Chairman, I support H.R. 12473, as amended, which seeks to provide the voters of the District of Columbia an opportunity to approve or disapprove the construction of the Eisenhower Civic Center proposal.

I was an opponent of the original legislation, passed in the last Congress, which authorized this project. Frankly, Mr. Chairman, I still have strong reservations about the ultimate wisdom of this venture.

However, the legislation before the House today goes a long way toward improving the terms under which this project will be carried forward.

This bill would exact a financial commitment from those sectors of the business community which stand to profit most from development of the center.

Had this degree of commitment been shown by the business community of Washington from the outset, the Eisenhower Center would have had much smoother sailing, and would in all probability be under construction by now, rather than hanging fire.

If the wisdom of the House is to add a referendum provision to H.R. 12473—whereby taxpayers whose funds provide the ultimate backing for the convention center bonds are to be given the right to vote the proposal up or down—the bill will be better yet.

A referendum is just, and I, for one, am certain that the citizens of the District will listen to the arguments put forward by the center's proponents and evaluate it properly.

The tax features in this bill provide a vital element of insurance to protect the taxpayers from absorbing the full

cost of the bond payments in the event that the center fails to generate the anticipated reviews.

Beginning in fiscal year 1976, an additional 1 percent tax on hotel and motel room rentals would be put into effect, with these revenues reserved for meeting the debt service on the center.

Additionally, provision is made for the creation of a special assessment district, comprised of the downtown business area, which would automatically come into existence if convention attendance and spinoff revenues fail to match predictions.

Mr. Chairman, if the District is to have a new convention center of this magnitude, I believe that the safeguards provided by H.R. 12473 are nothing less than imperative.

Mr. DIGGS. Mr. Chairman, I reserve the balance of my time.

Mr. NELSEN. Mr. Chairman, I think my time has expired; I have no more requests.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Eisenhower Center Bond Sinking Fund Act".

STATEMENT OF PURPOSES

The purpose of this Act is to establish a sinking fund for meeting the interest and principal payments of bonds issued pursuant to section 18 of the Public Building Act of 1959 (40 U.S.C. 601 et seq.) to provide for the construction of a civic center in the District of Columbia, and for other purposes.

DEFINITIONS

For the purposes of this Act—

The term "District" means the District of Columbia.

The term "Commissioner" means the Commissioner of the District of Columbia established under Reorganization Plan Numbered 3 of 1967.

The term "Center" means the Dwight D. Eisenhower Memorial Bicentennial Civic Center authorized by section 18 of the Public Building Act of 1969.

The terms "convention" means any organized gathering of persons who contract to use the meeting or exhibit facilities of the Center for a period of more than one day.

The term "delegate" means any person who duly registers his attendance at a convention held in the Center in which the major participating organization or organizations have a membership at least half of which do not reside in the District of Columbia.

The term "convention day" means any day in which at least two hours of formal activities of a convention are scheduled.

The term "delegate day" means attendance by one delegate for one convention day.

The term "hotel" means any hotel or motel licensed or required to be licensed under the Housing Regulations of the District of Columbia.

BOND SINKING FUND CREATED

There is established on the books of the Treasury of the United States to the credit of the District a bond sinking fund to be known as the Dwight D. Eisenhower Memorial Bicentennial Civic Center Bond Sinking Fund (hereinafter referred to as the "bond sinking fund"). The bond sinking fund shall be available without fiscal year limitation and shall consist of such amounts as may be, from time to time, deposited on it. Amounts in the bond sinking fund shall be appropriated as hereinafter provided, and in the same manner as general fund appropriations of the government of the District of Columbia, and shall be available solely for the purposes of paying the principal and interest on the general obligation bonds (or rent constituting payment of such bonds) issued to finance the Center.

SALES TAX ON HOTEL ACCOMMODATIONS

Commencing July 1, 1974, there is hereby levied each year a 1 per centum gross receipts tax, which shall be in addition to any other amount of such tax upon the gross receipts from sales or other charges for any room, lodgings, or accommodations, furnished to transients by any hotel, inn, tourist camp, tourist cabin, or any other place in which rooms, lodgings, or accommodations are regularly furnished to transients. The tax shall continue until modified or repealed according to the provisions of section 9, and all revenues derived from this tax shall be deposited in the bond sinking fund.

SALES TAX ON RESTAURANT MEALS AND LIQUOR BY THE DRINK

Commencing July 1, 1974, there is hereby levied each year a 1 per centum gross receipts tax, which shall be in addition to any other amount of such tax, upon the gross receipts from the sales of (A) spiritous or malt liquors, beer, and wines by the drink for consumption other than off the premises where such drink is sold, and (B) food for human consumption other than off the premises where such food is sold. The tax shall continue modified or repealed according to the provisions of section 9, and all revenues derived from this tax shall be deposited in the bond sinking fund.

APPROPRIATION REQUEST FOR THE BOND SINKING FUND

SEC. 7. (a) In preparing the annual budget for the forthcoming fiscal year the Commissioner shall calculate and clearly identify the general fund revenues which are estimated to result from the convention activities of the Center. In making such calculations the Commission shall multiply each delegate day by the amount of $4. The amount, which represents the sales, property, and income tax revenues generated by the average daily spending of delegates attending a convention in the Center shall be identified as the indirect revenue.

(b) The Commissioner shall next estimate the net operating deficit for the Center for the fiscal year which shall not be met from the special Federal payment authorized by section 4(a) of the Dwight D. Eisenhower Memorial Bicentennial Civic Center Act, together with any other costs to the District of Columbia which are directly attributable to the Center. These amounts shall be subtracted from the indirect revenue calculated according to subsection (a). The result shall be known as the net indirect revenue.

(c) From the total annual debt service payment of interest and principal (or the payment of rent constituting such payment) the Commissioner shall subtract the net indirect revenue calculated according to subsection (b). This resulting amount shall be requested in the annual or supplemental budget as the appropriation from the bond sinking fund.

(d) At the end of each fiscal year the Commissioner shall adjust the amounts referred to in subsection (a), (b), and (c) which are the basis of the appropriation for that fiscal year to actual circumstances and shall include in the next year's budget request the appropriate net reimbursement amounts for the bond sinking fund and the general fund, if any.

(e) Commencing July 1, 1977, the amount of $4 per delegate day utilized in the calculation of subsection (a) shall be changed by the same percentage as the percentage change in the base upon which the gross receipts tax upon the sales or hotels, restaurant meals, liquor by the drink, and similar activities in the same classification is levied.

ADJUSTMENT OF TAXES AND FUND BALANCE

SEC. 8. If the amount in the bond sinking fund is twice the annual debt service, and if the total expenditure from the bond sinking fund the previous year was less than the receipts paid into the fund during the same fiscal year, the amount of some or all of the taxes levied in sections 5, 6, and 7 of this Act shall be decreased or eliminated by the District of Columbia Council in such amount so that new revenues will balance the amount appropriated from the bond sinking fund for the current fiscal year: *Provided*, That should the amount in the bond sinking fund at the close of any fiscal year subsequently drop below the amount of twice the annual debt service, the Council shall impose taxes sufficient to bring the balance of the fund to twice the annual debt payment within two fiscal years.

INVESTMENT OF FUNDS

SEC. 9. All funds deposited in the bond sinking fund may be invested by the Commissioner in interest-bearing securities in the same manner as general revenues or construction loan balances available to the District of Columbia. The amount of interest earned shall be deposited to the credit of the bond sinking fund.

DISPOSITION OF EXCESS FUNDS

SEC. 10. At such time as the Comptroller General of the United States determines that any balance in the bond sinking fund is no longer needed for the purposes for which it was set aside the Commissioner may request appropriation of such amounts from the bond sinking fund to the credit of the general fund of the District of Columbia.

CENTER BONDS INCLUDED IN DEBT LIMITATIONS

SEC. 11. Annual debt service payments for interest and principal on Center bonds (or rent constituting payment of such bonds) shall be included within the 44 per centum general obligation debt ceiling of section 603(b) of the District of Columbia Self-Government and Governmental Reorganization Act.

RULES AND REGULATIONS

SEC. 12. The Commissioner shall prescribe such rules and regulations as may be necessary to carry out the purposes of this Act.

ANNUAL AUDIT

SEC. 13. The Comptroller General of the United States shall make an annual audit of the bond sinking fund and report his findings to the Congress, the President, and the Commissioner and Council of the District of Columbia.

FULL FAITH AND CREDIT

SEC. 14. Nothing in this Act shall be construed as impairing the full faith and credit of the District of Columbia to repay their general obligation bonds.

AUTHORIZATION OF APPROPRIATIONS

SEC. 15. There are authorized to be appropriated from the bond sinking fund an annual amount for the purpose of retiring bonds (or rent constituting payment of such bonds) in such amounts as when added to other revenues of the District of Columbia available for this purpose shall be sufficient to pay the annual debt service costs.

EFFECTIVE DATE

SEC. 16. The provisions of this Act shall take effect immediately upon the date of

enactment if construction of the Center proceeds under the provisions of section 18 of the Public Buildings Act of 1959.

The CHAIRMAN. The Clerk will read the committee amendment.

The Clerk read as follows:

Committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: That this Act may be cited as the "Eisenhower Memorial Civic Center Sinking and Support Funds Act of 1974".

STATEMENT OF PURPOSES

SEC. 2. The purpose of this Act is to establish a sinking fund for meeting the interest and principal payments of bonds issued pursuant to section 18 of the Public Buildings Act of 1959 (40 U.S.C. 601 et seq.) to provide for the construction of a civic center in the District of Columbia, and to establish a support fund for such civic center in order to assure a financially sound project.

DEFINITIONS

SEC. 3. For the purposes of this Act—

(a) The term "District" means the District of Columbia.

(b) The term "Commissioner" means the Commissioner of the District of Columbia established under Reorganization Plan Numbered 3 of 1967.

(c) The term "Civic Center" means the Dwight D. Eisenhower Memorial Bicentennial Civic Center authorized by section 18 of the Public Building Act of 1959.

(d) The term "convention" means any organized gathering of persons who contract to use the meeting or exhibit facilities of the Civic Center for a period of more than one day.

(e) The term "delegate" means any individual who attends a convention held in the Civic Center in which a majority of those attending do not reside in the District as determined by the Commissioner.

(f) The term "convention day" means any day in which at least two hours of activities of a convention are scheduled.

(g) The term "principal and interest payments" shall include payment of rent constituting principal and interest payments on bonds issued for the construction of the Civic Center.

SEC. 4. (a) There is established to the credit of the District of Columbia on the books of the Treasury of the United States, to be administered by the Commissioner, a trust fund to be known as the Eisenhower Memorial Bicentennial Civic Center Bond Sinking Fund (hereafter in this Act referred to as the "bond sinking fund"). Amounts in the bond sinking fund shall be available, as provided by appropriation Acts, for making expenditures to pay the principal and interest on outstanding bonds issued under section 18 of the Public Buildings Act of 1959 in those years when amounts available in the Eisenhower Memorial Bicentennial Civic Center Support Fund are insufficient to make such principal and interest payments.

(b) The bond sinking fund shall consist of amounts deposited in such bond sinking fund, from time to time, as follows:

(1) An amount derived from the tax levied during bond sinking periods under sections 125(b) of the District of Columbia Sales Tax Act equal to an amount derived from such tax devied at a rate of 1 per centum.

(2) The amount derived from the tax levied under section 7 of this Act.

(3) The amount of the surplus appropriated from the Eisenhower Memorial Bicentennial Civic Center Support Fund, established under section 5 of this Act.

(4) Interest realized from any investment of the money in the bond sinking fund.

SEC. 5. (a) There is established to the credit of the District of Columbia on the books of the Treasury of the United States, to be administered by the Commissioner, a trust fund to be known as the Eisenhower Memorial Bicenteninal Civic Center Support Fund (hereafter in this Act referred to as the "support fund"). The support fund shall be available, as provided by appropriation Acts, for making payments for operating expenses of the Civic Center together with any other expenses incurred by the District government directly attributable to the construction or operation of Civic Center, and for payments of the principal and interest on the outstanding bonds issued under section 18 of the Public Buildings Act of 1959. When amounts in the support fund are sufficient to maintain such fund, a reasonable amount of the surplus in such support fund may be appropriated to the bond sinking fund, except as provided in section 11(b).

(b) The support fund shall consist of amounts deposited in such support fund as follows:

(1) Amounts appropriated as authorized in section 4(b) of the Public Buildings Act of 1959.

(2) 25 per centum of the amount of the increase in the amount derived during each fiscal year from the tax levied on real property located in the Civic Center Development Impact Area after the fiscal year ending June 30, 1974, as determined by the Commissioner under section 8 of this Act.

(3) Gross revenues derived from the operation of the Civic Center.

(4) An amount equal to $3 per delegate per convention day, as determined under section 9 of this Act.

SEC. 6. (a) Section 125 of the District of Columbia Sales Tax Act (D.C. Code, sec. 47–2602) is amended as follows:

(1) The existing material in such section is designated as subsection (a).

(2) Subsection (a)(2) of such section, as designated by paragraph (1) of this section, is amended by inserting "except as provided in subsection (b)," immediately before "the rate".

(3) Such section is amended by adding at the end thereof the following:

"(b) The rate of tax imposed under subsection (a)(2) shall be, during a bond-sinking period, 7 per centum, with one-seventh of the amount derived from such tax during such period being paid into the Eisenhower Memorial Bicentennial Civic Center Bond Sinking Fund (hereafter referred to as the 'bond sinking fund'). The initial bond-sinking period shall begin on July 1, 1975, or on the first day of the first complete month beginning after the effective date of the Eisenhower Memorial Civic Center Sinking and Support Funds Act of 1974, whichever last occurs, and end on the first day of the first complete month beginning after the date on which the Commissioner of the District of Columbia certifies to the District of Columbia Council that the tax levied on real property under section 7 of the Eisenhower Memorial Civic Center Sinking and Support Funds Act of 1974 is not in effect, and the amount in the bond sinking fund, at the close of the fiscal year after all principal and interest payments for that fiscal year have been made, is or will be equal to the amount of the total principal and interest payments payable in any year on the outstanding bonds issued pursuant to section 18 of the Public Buildings Act of 1959. Subsequent bond-sinking periods shall begin on the first day of the first complete month beginning on the date on which the Commissioner of the District of Columbia certifies to the District of Columbia Council that the amount in the bond sinking fund is less than the amount of such total principal and interest payments and shall end on the first day of the first complete month beginning after the date on which the Commissioner of the District of Columbia certifies to the District of Columbia Council that the tax levied on real property under such section 7 is not in effect, and the amount in the bond sinking fund is equal to or greater than the amount of such total principal and interest payments."

SEC. 7. (a) There is hereby established a special assessment area (hereinafter referred to as the "Civic Center benefit area") which shall include all nonresidential real property including improvements thereon which is located within the central business district of the District, as defined by the United States Bureau of the Census in its last census of retail trade in the District of Columbia (United States Bureau of the Census, Census of Business, 1967, Retail Trade: Major Retail Centers, District of Columbia, B.C. 67–MRC–9), and nonresidential property outside the central business district which is zoned C–4 or C–3–b as of March 1, 1974.

(b) There is hereby levied for certain fiscal years, as designated according to the succeeding subsections of this section, a tax on the real property (including improvements thereon) within the Civic Center Benefit Area, at a rate set by the District of Columbia Council which would be sufficient to return an amount, which together with other revenues available to the bond sinking fund, at the close of the fiscal year following the fiscal year in which the tax is imposed, would be greater than $100,000 after all payments of annual principal and interest on bonds had been made for those fiscal years, and that by the close of three additional fiscal years, after all payments of principal and interest on bonds had been made in those years, would be at least equal to one year's annual principal and interest payment on such bonds. Such tax shall be payable and collected in the same manner as other taxes on real property in the District, and the amount derived from such tax shall be paid into the bond sinking fund and shall be in addition to any other tax levied on such real property (including improvements thereon) under any other law in effect in the District.

(c) In order to determine whether the tax levied under subsection (b) shall be applied, the Commissioner shall certify to the District of Columbia Council, before June 15 of each year, the amount in the bond sinking fund as of May 30 of that year and shall adjust such amount by deducting the amount of any principal and interest payments which are yet due and payable in such fiscal year and by adding the amount of any additional estimated revenues which will be credited during the remainder of the fiscal year to the bond sinking fund. If the adjusted amount in the bond sinking fund certified by the Commissioner as of May 30 is less than $100,000, and the tax levied under the amendment made by section 6 is in effect, such tax shall apply with respect to the next following fiscal year.

(d) In order to determine whether the tax applied under subsection (c) shall be terminated, the Commissioner shall certify to the District of Columbia Council before June 15 of each year the amount in the bond sinking fund as of May 30 of that year and shall adjust such amount by deducting the amount of any principal and interest payments which are yet due and payable in such fiscal year and by adding any additional estimated revenues which will be credited during the remainder of the fiscal year to the bond sinking fund. If the adjusted amount in the bond sinking fund certified by the Commissioner as of May 30 is at least as great as the total annual prin-

cipal and interest payment due on bonds, the tax applied under subsection (c) shall be terminated with respect to the next following fiscal year.

(e) In order to determine whether the tax terminated under subsection (d) shall be reinstituted, the procedures of subsection (c) used to determine initial application of the tax shall be followed, and the procedures of subsection (d) shall be followed with respect to terminating any reimposition of the tax.

SEC. 8. (a) The Commissioner shall determine the amount derived from the tax on real property located in the Civic Center Development Impact Area during the fiscal year ending June 30, 1974, which shall be known as the base year. For each fiscal year thereafter, the Commissioner shall compute the amount by which the revenue derived from such tax has increased, or would have increased, as a result of the rise in full market value of the real property subject to such tax, over the base year. By September 30 of each year, there shall be credited to the support fund 25 per centum of the amount of such increase.

(b) For the purposes of this section the Civic Center Development Impact Area shall be the downtown urban renewal area as defined in the comprehensive plan adopted by the National Capital Planning Commission pursuant to the District of Columbia Redevelopment Act (D.C. Code, sec. 5–701 et seq.).

(c) All computations and determinations made by the Commissioner under this section shall be, when made, certified to the Comptroller General of the United States.

SEC. 9. (a) Notwithstanding any other provision of law, for each fiscal year, there shall be credited to the support fund, out of revenues otherwise credited to the general fund of the District, an amount, determined by the Commissioner according to the provisions of this section, representing the increased revenues of the District as a result of the operation of the Civic Center. As soon as possible after June 30 and December 31 of each year, the Commissioner shall determine the number of delegates for each convention day occurring during the immediately preceding six months. There shall be credited to the support fund an amount equal to such total number of delegates computed for the immediately preceding six months multiplied by $3. The amount of the multiplier shall be increased or decreased, each time the computation under this section is affected, by the percentage change in the cost of living, as determined by the Secretary of Labor, using the fiscal year ending June 30, 1978, as the base year.

(b) All computations and determinations made by the Commissioner under this section shall be, when made, certified to the Comptroller General of the United States.

SEC. 10. (a) The Commissioner shall, in preparing the annual budget request for the District, estimate the amount which will be available during the fiscal year for which such request is being made in the support fund for paying the operating expenses of the Civic Center, other expenses of the District directly attributable to the operation or construction of the Civic Center, and for making the total principal and interest payment due on outstanding bonds issued for the construction of the Civic Center during that fiscal year. Whenever the Commissioner determines that there are insufficient amounts in the support fund to make such principal and interest payments he shall recommend, in such budget, that the required amount be appropriated from the bond sinking fund to make such payments.

(b) At the end of each fiscal year the Commissioner shall adjust the amounts estimated under subsection (a), which are the basis of the appropriation for that fiscal year, to actual circumstances and shall include in the next succeeding fiscal year's budget request the appropriate net reimbursement amounts for the bond sinking fund if any.

SEC. 11. (a) At such time as the Comptroller General of the United States determines that the amount in the bond sinking fund is sufficient to pay the total aggregate amount of principal and interest on all outstanding bonds issued for the construction of the Civic Center, the Commissioner shall request that the amount in the bond sinking fund be appropriated to pay such amount, and any remaining surplus be appropriated to the general fund of the District. On the effective date of such appropriation Act, the bond sinking fund shall terminate and the taxes levied under section 125(b) of the District of Columbia Sales Tax Act and under section 7 of this Act shall lapse.

(b) Whenever the amount in the bond sinking fund, at the close of the fiscal year after all principal and interest payments for that fiscal year have been made, is or will be equal to the amount of principal and interest payments due on outstanding bonds issued for the construction of the Civic Center in any year, or on and after the date upon which the Comptroller General makes his determination with respect to the amount in the bond sinking fund, as specified in subsection (a), the surplus in the support fund, otherwise payable into the bond sinking fund, may be appropriated into the general fund of the District.

SEC. 12. Annual debt service payments of interest and principal on bonds issued for the Civic Center under section 18 of the Public Buildings Act of 1959 shall be included within the 14 per centum general obligation debt ceiling of section 603(b) of the District of Columbia Self-Government and Governmental Reorganization Act and nothing in this Act may be construed as excluding such bonds from such ceiling.

SEC. 13. The Commissioner shall prescribe such rules and regulations as may be necessary to carry our the purposes of this Act.

SEC. 14. The Comptroller General of the United Stats shall make an annual audit of the bond sinking fund and the support fund and report his findings to the Congress, the President, the Commissioner, and the Council of the District of Columbia.

SEC. 15. Nothing in this Act shall be construed as impairing the full faith and credit of the District to repay its general obligation bonds.

SEC. 16. The provisions of this Act shall take effect on the date of enactment, or on the date construction of the Civic Center is approved as provided under the provisions of section 18 of the Public Buildings Act of 1959, whichever last occurs.

Mr. DIGGS (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment be considered as read, printed in the RECORD, and to open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. GROSS. Mr. Chairman, reserving the right to object, is that request for the entire committee amendment?

Mr. DIGGS. The committee amendment as a substitute.

Mr. GROSS. The committee amendment as a substitute?

Mr. DIGGS. Yes.

Mr. GROSS. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

AMENDMENT OFFERED BY MR. DIGGS TO THE COMMITTEE AMENDMENT

Mr. DIGGS. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. DIGGS to the committee amendment: Page 21, after line 3, insert the following:

SEC. 16. (a) In order that the Committees of the House of Representatives and the Senate which are charged with the duty of approving the design and cost estimates of the Civic Center can better be informed as to whether the qualified registered electors in the District of Columbia approve of the Civic Center, the District of Columbia Board of Elections shall hold an advisory referendum on the question of the Civic Center, on the date fixed by the Board (under section 701 of the District of Columbia Self-Government and Governmental Reorganization Act) for the charter referendum.

(b) In addition to the other questions placed on it, the charter referendum ballot shall contain the following:

"In addition, the Dwight D. Eisenhower Memorial Bicentennial Civic Center Act requires that four committees of the Congress approve the design, plans, and specifications, including detailed cost estimates, of the civic center prior to its construction.

"In order to advise these committees as to whether a majority of the registered qualified voters of the District voting in this referendum on this issue would prefer that the civic center be built, indicate in one of the squares provided below whether you are for or against the construction of the Dwight D. Eisenhower Memorial Bicentennial Civic Center.

"☐ For the Eisenhower Memorial Civic Center.

"☐ Against the Eisenhower Memorial Civic Center.".

(c) Voting may be by paper ballot or by voting machine. The Board of Elections may make such changes in the paragraphs of the charter referendum ballot referring to the Civic Center as it determines to be necessary to permit the use of voting machines if such machines are used.

(d) The Board of Elections shall, within a reasonable time, but in no event more than thirty days after the date of the charter referendum, certify the results of the advisory referendum on the Civic Center to the Secretary of the Senate and the Clerk of the House of Representatives.

(Renumber the following section accordingly.)

Mr. BROYHILL of Virginia. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Michigan (Mr. DIGGS). I support this proposed referendum with a great deal of reluctance and a lot of misgivings. But, this is probably the only way we are going to get this Convention Center built under present circumstances.

Mr. Chairman, I am deeply disappointed that it is now deemed necessary to put this matter to a referendum in order to get it built. This is going to cause needless delay and is going to increase materially the cost of construction of this facility.

Mr. Chairman, let me say that I question the motives of some of the proponents or advocates of this referendum; mind you, I say "some" of the proponents. I suspect that they feel that it is a means of killing the proposed Civic and Convention Center, and some of them have been brazen enough to admit it. They claim that they feel a concern for the cost to the taxpayers of the District of Columbia. However, these people have never before expressed any concern for the taxpayers of the Nation's Capital.

This bill H.R. 12473 provides for guarantees for the cost of debt service and operation costs, and as always—and this will be no different from the home rule bill that was passed last year—the Federal Government has always, and always will have to, underwrite the budget of the District of Columbia. So, I do not really accept the motives of these so-called bleeding hearts who are talking about keeping the taxes down for the citizens of the District of Columbia.

Where were all these opponents of this center 2, 3, and 4 years ago, when many of us were working to obtain the approval of this project? We had the gentleman from Illinois (Mr. GRAY), the Mayor, the business and civic leaders of this city, and many of our colleagues here in the Congress, working hard to obtain approval of this proposal, but these proponents of a referendum did not seem to care then, and did not show up to testify pro or con on the Convention Center when the hearings on the subject were being held in the committee.

Mr. GRAY. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL of Virginia. Mr. Chairman, I yield to the gentleman from Illinois.

Mr. GRAY. Mr. Chairman, I thank the gentleman for yielding to me. I think he has raised a very important point. In the Committee on Public Works—and the gentleman knows that he and I cosponsored that legislation—we worked 4 years getting this project authorized. We held five separate, distinct hearings and heard hundreds of witnesses. Not one single person in the District of Columbia asked that this matter be submitted to referendum over those 4 years.

Mr. BROYHILL of Virginia. Mr. Chairman, I thank the gentleman from Illinois for his comments.

Mr. Chairman, as I pointed out before, many of our colleagues, and a lot of people in the business community and citizens of the District of Columbia did work together to develop a formula for the construction of this Center. The need for the Center, I feel, has been proved, and the support from the responsible people in the Nation's Capital has been overwhelming. Now we have what I call the Johnny-come-latelies, who want this proposal put to a referendum, a proposal which will result in extra cost to everyone.

For the first time, these people have come forth expressing their concern for the welfare of the people of the District of Columbia.

Mr. Chairman, I feel that this proposal for the referendum is a prime example of the conflict betwen the Federal interests, the economic health of this Nation's Capital, and the interests of some of these self-proclaimed leaders here in the District of Columbia.

And I make a prediction here today that this conflict of interests, Federal and local, in this city is going to grow more acute as time passes.

However, I have no objection to the amendment, Mr. Chairman. I support the amendment, if it is essential for the approval of this center for which many of us have worked so hard for so many years. If it is now necessary to hold a referendum for this plan to be a reality, then so be it.

But if the project is defeated in referendum, Mr. Chairman, the responsibility for this tragic loss must be placed where it belongs, on the shortsighted obstructionists who have not been interested in working together for the betterment and economic soundness of this Nation's Capital, but who are now interested in the control of a little kingdom that they can play with and destroy if they so desire.

Mr. GROSS. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, if I viewed this amendment with the reluctance that the gentleman from Virginia (Mr. BROYHILL) views it, I would certainly be opposed to it. The gentleman says that only the short-sighted and the hypocrites are supporting this amendment, and yet he says he is going to vote for it.

Mr. BROYHILL of Virginia. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Virginia.

Mr. BROYHILL of Virginia. Mr. Chairman, the gentleman knows to whom I was referring.

Mr. GROSS. No, I do not.

Mr. BROYHILL of Virginia. Mr. Chairman, I made it clear that I was supporting this amendment most reluctantly, although I had a lot of misgivings, as the only possible way of obtaining approval for this facility. And I said that "some" of the people who brought pressure to bear so as to make this referendum necessary are hypocritical in their position on the matter. The gentleman knows what I am talking about.

Mr. GROSS. Mr. Chairman, I am not in the business of stultifying myself to that extent, but if I thought there were only hypocrites supporting this amendment, I would certainly vote against it and oppose it.

Mr. BROYHILL of Virginia. Mr. Chairman, the gentleman knows that hypocrites do not always lose.

Mr. GROSS. I do not know about that. The gentleman can speak for himself.

Mr. Chairman, the first question I would like to ask some member of the committee is this: What happens to the $14 million this bill would commit the Federal Government to put into this project if it fails?

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Yes, I yield to the gentleman from California.

Mr. REES. Mr. Chairman, under the original enabling legislation, four committees of Congress will have to approve the proposal——

Mr. GROSS. Mr. Chairman, I am not interested in that. I will ask the gentleman to not take my time on that. I wish the gentleman would just answer one question.

What happens to the $14 million if this business fails?

Mr. REES. The money will not be spent.

Mr. GROSS. Suppose we go ahead and put $14 million into this convention center—and, of course, that is the foot in the door—but we put in the $14 million that is being requested from good old "Uncle Sugar." What happens to the $14 million in Federal funds if that is expended and the city cannot or will not raise the rest of the money?

Mr. REES. If this bill that is before us is not passed, the $14 million will not be appropriated for the civic center.

Mr. GROSS. Mr. Chairman, that is not the question.

Mr. REES. If we put the $14 million in and the center is built, then the payment of bonds and interest will be guaranteed by that financing plan that is shown by that chart.

Mr. GROSS. And if the financing plan fails, what happens?

Mr. REES. That financing plan will not fail.

Mr. GROSS. That is what the gentleman says.

Mr. REES. It will not. It is a special assessment.

Mr. GROSS. Mr. Chairman, that is what the gentleman thinks.

I can remember back in the 1950's when the stadium was built and the gentleman from Arkansas, who has long since departed this body, stood on the floor of the House and said, over and over again, "It will never cost the Nation's taxpayers one thin dime."

Mr. REES. Mr. Chairman, I would suggest that the gentleman read this bill.

Mr. GROSS. Mr. Chairman, the gentleman knows who is going to retire the stadium bonds if they are ever paid. The gentleman knows that, does he not?

I will not be here, but I warn the gentleman and the other Members of the House that you are going to get the opportunity, probably about next year, to come up with $20 million to retire the stadium bonds which they promised us faithfully would never become an obligation of your taxpayers and mine.

Let me say to the gentleman from Virginia that if I had the confidence in and desire for this proposal that he has, I think I would advocate that the tourists who come to northern Virginia and use the hotels there pay a $3 tax whether they go to the convention center or not.

I think you and the gentleman from Maryland (Mr. GUDE) who has also spoken in behalf of this proposal, ought to support a provision in this bill which

would provide that those who come to northern Virginia and use the hotel facilities there should be socked $3 each for this convention center, whether they use it or not.

Mr. BROYHILL of Virginia. Will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. BROYHILL of Virginia. I would say that the people of the great State of Iowa have been the recipients of a lot of Federal handouts and subsidies over the past 3 years, and they have never turned back one single dollar of it.

Mr. GROSS. We cannot hold a candle to northern Virginia, I will say to the gentleman.

Mr. BROYHILL of Virginia. May I ask the gentleman a question? During the years of great service that the gentleman from Iowa has rendered to this great *Nation*——

Mr. GROSS. Just say it and get it over with.

Mr. BROYHILL of Virginia. Can the gentleman recall one occasion or instance when he has supported any project or facility for this Nation's capital?

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. GROSS was allowed to proceed for 5 additional minutes.)

Mr. GROSS. I do not have my voting record at hand.

Mr. BROYHILL of Virginia. The gentleman has opposed every such proposal.

Mr. GROSS. I can tell the gentleman of one I opposed that was never built, and that was the glorified fish pond down on the Potomac River.

I am only trying to save the taxpayers a little money. This is a soak-the-tourist bill. As the gentleman from Indiana (Mr. MYERS) so well pointed out a little while ago, it will make no difference whether our constituents come to Washington for a convention. They will get clobbered with a tax on their hotel bills and food to pay for a convention center. And the gentleman from Virginia (Mr. BROYHILL) also talked about parking.

There will be 89 parking spaces in connection with this convention hall. I do not know whether MPI or is it NPI—I am sure my friend from Virginia knows. What are those initials I ask my friend from Virginia?

Mr. BROYHILL of Virginia. I did not say anything about parking.

Mr. GROSS. The gentleman knows the name of the outfit that has a hammerlock on parking in the District.

Mr. BROYHILL of Virginia. Do not put words in my mouth.

Mr. GROSS. I suppose they will have a franchise on that, too, if this parking arrangement in connection with it is built.

Now let us look at the facts of life. The subcommittee of the Committee on Appropriations which deals with the District of Columbia, the Natcher subcommittee, has refused to approve any money for this project up to this point. And the members of that committee are not going to appropriate any of the Federal taxpayers' money for this proposition unless they are mandated to do so.

This entire proposal ought to be defeated.

Mr. GRAY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, since this is such a very important matter, I ask unanimous consent that I may be permitted to proceed for an additional 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The gentleman from Illinois is recognized for 8 minutes.

Mr. GRAY. Mr. Chairman, first let me say that I rise in support of the bill before us. I want to commend the distinguished Chairman, the gentleman from Michigan (Mr. DIGGS) and the distinguished gentleman from California (Mr. REES), and the distinguished gentleman from Minnesota (Mr. NELSEN) and the other members of the committee for trying to work out a very perplexing problem in the financing of the Eisenhower Civic Center, but I think we are missing the real picture here today, my friends. We are paying for the Eisenhower Civic Center every single year in the Federal payment to the city. The $5.5 million a year that would be required to pay the interest and principal on these bonds is infinitesimal compared to what we are pumping in from Illinois taxpayers, the taxpayers of Michigan, California, and other places.

When I came to the Congress the Federal payment to the District of Columbia—and I am talking about exclusive of public works, buildings and the Capitol Improvement programs, I am talking about a direct subsidy to the District of Columbia—was $20 million a year. And my dear friend—and he is my dear friend—the gentleman from Kentucky (Mr. NATCHER) when he took the chairmanship of the Subcommittee on Appropriations for the District of Columbia, it was $30 million a year. But because of the great exodus of people out of Washington, and 75,000 have left since I have been in the Congress, because of stores closing, and going to the suburbs—10 major grocery stores closed this year in the District of Columbia—that figure of a small $20 million to $30 million has now catapulted to $230 million requested for this year, and with the home rule bill passed in the next 4 years it will go up to $300 million.

I represent the fourth largest taxpaying State in the Nation, and I resent taking away money from needed programs from the coal mining areas and pumping it into the District of Columbia when this city could be self-sustaining with projects such as the Civic Center.

This project will bring in over $1 billion, and I repeat, $1 billion a year of additional revenue into the District of Columbia and suburbs.

How do I get that figure? Because that is what people coming to Washington today are spending in the Washington area.

Our study developed testimony that the average person coming to Washington planned to stay 7 days, and they are only staying 2 days. Why? Because there is no place to get information—and we will take care of that with the Visitors' Center. And because there is no place to park, and we are building a $23 million parking garage that is eight blocks from where this Center will be located, so that we are going to have ample parking spaces for this facility, with shuttle buses running back and forth. So if we do nothing but double their present 2-day stay to 4 days this will bring in an additional $1 billion a year in revenue, with a 5 percent sales tax alone that is $50 million, 10 times as much as it will cost to pay off the bonds. And we are arguing here as to whether or not we need this project, and whether it ought to go to a referendum. Let me tell the Members that just the increase in the Federal payment, not the total Federal payment, the increase of the past 3 years would pay for this project in cash. And under the home rule bill that we just passed, the increase in the Federal payment, the increase we are going to give out of mine and your taxpayers' pockets, will pay for those facilities. The increase is $70 million for the next 3 years.

We are here today quibbling, do we or do we not want it? We are paying for it now, only we are not getting it. I ask my colleagues to recognize that since I have been a Member of Congress, we have paid out over $1.5 billion of taxpayers' money to subsidize the District of Columbia. Do we or do we not want to build up the economic base? Do we or do we not want to provide a facility that will bring dollars into town and above all convenience.

The Members may say, How do we know this is going to pay off? Why is New Orleans spending $140 million for a second facility with a visitation of less than 1 million people, when we have already 25 million people coming into Washington? Why is New York going to build a third facility at $200 million? Why does Los Angeles have two—and Anaheim is a short 30 miles away with another facility? Why is Chicago, Dallas and every major city in this country building a convention center? To bring in additional dollars. More hotels, more housing, more growth.

I am going to put in the RECORD at a later date letters from hotel chains that have agreed to spend over $100 million of their own money if this facility is built. Please listen to this carefully. It is in writing.

Mr. GROSS, it is a definite commitment. It is not promise; it is a definite commitment to spend over $100 million. The real estate taxes and the sales taxes and the bed taxes from these two hotels alone will more than generate enough to pay off that $5½ million a year. Why are we worried?

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GRAY. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

Are those the two sources that the report says are confidential?

Mr. GRAY. No, no. I have them right here. I shall be glad to show the gentleman from Iowa the letters and commitment. They are certainly not confidential. In fact, there was an editorial in the Star recently: "Big Hotels To Hinge on Center." It tells all of the principals involved. It tells that one facility will be larger than the Washington Hilton. It will cost over $50 million; it will have 1,200 rooms. The Washington Hilton has only 1,180 rooms. We have another consortium from Texas that has pledged to spend more than $50 million of their own money. As I said, the real estate taxes and the bed taxes alone will more than pay for this from these two facilities, if the city never takes a dime in at the front door.

Mr. GUDE. Mr. Chairman, will the gentleman yield?

Mr. GRAY. I yield to the gentleman from Maryland.

Mr. GUDE. I thank the gentleman for yielding.

I appreciate the gentleman's leadership in this regard, and I think he well pointed out what Congressman REES also pointed out, that, indeed, if this is a failure, it will not be the taxpayers' write-off; it will be the business community's. They put their name on the line on this and they are going to have to foot the bill if it does not work.

Mr. GRAY. I appreciate and agree with the gentleman's comments. He is always helpful.

There are many major reasons why we should vote down a referendum. One, we recently passed a bill saying we wanted full autonomy for the District of Columbia. This Congress by an overwhelming vote said, Let us let the Mayor and the City Council run the city of Washington. Let me tell the Members that the City Council recently voted twice against a referendum.

The Mayor is against a referendum. This very committee voted, not unanimously, but by a majority, against a referendum.

Now they are bringing out a bill to try to appease another committee of the House asking for a referendum. Every single day that we delay this project, Mr. Chairman, is costing money.

The General Services Administration says that the escalation in costs of public buildings is 1 percent per month. It is a $72 million project. That means every month that we delay it is costing $720,000. What else?

We have here, Mr. Chairman, a very, very dangerous precedent. This being the Nation's Capital, do we want to put ourselves on record as saying every time we build a street, a city jail, a school, or anything else that Congress is going to come up here and legislate for a referendum?

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. GRAY was allowed to proceed for 2 additional minutes.)

Mr. GRAY. This project, Mr. Chairman, now has 20 percent Federal contribution. There is no way the Members' constituents back home can vote on the 20 percent. So why should we allow a few people in the District of Columbia to tell our constituents how to spend their money.

Third, the last election held in the District of Columbia, I am sorry to say, had a turnout of 15 percent for a school board election. Do we want to give 15 percent of the people the right to tell 211 million Americans they cannot have a national center to hold the national nominating conventions? They cannot have a national center to hold our inaugural balls and other large gatherings such as conventions and spectator events?

They cannot have a national center to invite foreign people here who may want to come and tell us what they are doing in their respective countries.

Do we want 15 percent of the people voting in the District of Columbia telling us we cannot memorialize a World War II hero like we did John F. Kennedy with the Kennedy Center? That is what we are saying when we vote for the referendum amendments. We are saying to those people: Tell us in the Congress what you would like us to do. Are we not the elected representatives of the people?

You have a referendum only when there is a need for an increase in taxes. It is on record by the Mayor of this city that this project will not now or at any time in the future require the raising of taxes 1 cent in the District of Columbia. Some people are saying that there will be an increased tax. On this project they positively and absolutely will not.

Let me say to my friend, the gentleman from Iowa (Mr. GROSS), I agree with him on one point. The fall or passage of this bill is not going to change the Appropriations Committee one iota. We must be frank about it. The gentleman from Kentucky is a very astute Member of Congress. I have great respect for him, but the fact remains he has not agreed to approve the plans, specifications, and the cost estimates as required by law. If we pass this bill three times and if the referendum passes by a majority, so we are kidding.

So I would propose, and I do it very reluctantly, but after having agonized over this project for 4 years and having known the great benefits that are going to follow from it, I plan to offer an amendment to take out of this bill all of the $14 million contribution.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(By unanimous consent, Mr. GRAY was allowed to proceed for 1 additional minute.)

Mr. GRAY. Mr. Chairman, I plan to offer an amendment to take out of this bill all of the Federal contribution of $14 million, because as I said since the $14 million was put in we have hotels and other facilities that will generate 10 times more money than the Federal contribution, and in the same amendment we will relieve the oversight of the Appropriations Committee.

The Appropriations Committee has a responsibility both legally and morally to approve the plans and specifications of this project. They have not done so. So I say that if my constituents are not going to have the right to say anything about it by referendum similar to D.C. residents, let us take out the $14 million and eliminate the oversight of the Appropriations Committee and, summarizing, let us vote down the referendum, support the amendment I am going to offer, to take out the $14 million, and let us allow the District of Columbia Mayor and City Council have full autonomy and build the Center if they want it.

Mr. NELSEN. Mr. Chairman, I rise in support of the amendment and move to strike the last word.

Mr. Chairman, in the process of legislation no single committee should assume that it has all the answers, and I speak now for the District of Columbia Committee. Word reached us that there were those who would like to have a referendum to reflect the citizen views of whether or not the city supports this or whether it does not. So our committee, our good chairman, the gentleman from Michigan (Mr. DIGGS), and I and others decided OK, if that is what seems to be the wish of the members of the Appropriations Committee, we would go along with it. So we decided to offer the amendment today.

In my judgment the only way we will proceed with this is to accept this REES financing plan and include in it the referendum, and I believe we will have then accommodated quite a large number of the members of both committees that must give approval to this civic center project in the House.

I plead with the House after all the hard work that has been done and after the attempt to get some kind of semblance of an amortization plan, that we proceed with this bill and support the amendment offered by the gentleman from Michigan (Mr. DIGGS).

Mr. FAUNTROY. Mr. Chairman, I move to strike the last word and rise in support of the amendment.

Mr. Chairman, I am in support of H.R. 12473, the committee amendment calling for an advisory referendum by the voters of the District of Columbia on the Convention Center. I take this position for many reasons.

First, many substantial questions have been raised over the past months over the wisdom of the Convention Center proposed to the Congress. The quantity and quality of these questions are such that I believe that the Convention Center should go forward only after vigorous public debate and a vote by the people of the city.

More importantly, it would be utterly inconsistent with the principle of self-determination that this Congress has approved in the recently passed new Government and Self-determination Act for the District of Columbia to now say that the people of this community cannot

intelligently make a decision on whether they are willing to pay for this Convention Center.

A referendum is not a tactic to defeat the Center. I am prepared to urge you to vote for it, if the voters approve. We can have a referendum by May 7, which would not involve an unreasonable delay. There is adequate time for public discussion and voter education, if this committee and the Senate will act quickly to authorize the referendum.

A referendum is the method used in almost all of your communities to get approval of a project of this magnitude—$165 million. In many communities, even where there is no general referendum requirement, it is not unusual for the State legislature to call for a referendum on an especially large project. That is precisely what the committee amendment calls for.

It is true that the Self-Determination Act signed into law does not call for referenda on major Capital works projects. But, I would remind the committee that the bill written by and voted out by this committee, H.R. 9682, did call for a vote by the people on all bond issues. Almost all of us strongly supported that concept: it was abandoned only because the fiscal provisions of the bill were substantially overhauled after the bill got out of committee. The concept was sound last June, and it is sound now.

Some have argued that a referendum on the issue is inconsistent with self-determination because this project has been approved by local officials. I would simply point out to the committee that local officials are appointed and not responsible to the people of the city. We would have a very different case if locally elected officials approved the project. But, it is because we have no other mechanism now to judge local assent that we must relay on the referendum.

I, for one, am not convinced that such a project would fail at referendum. If the project is sound, and will not result in additional taxation to the people of the city, as the proponents argue, the case should be put to the people. I have a profound faith in their ability to sort through an issue like this, and to resolve it sensibly and fairly. If an adequate case cannot be made, the project will fail. If the case is a good one, it will pass.

Mr. Chairman, I rise also because it should be noted that time is of the essence. The referendum will be held on May 7. I would like to ask the distinguished chairman of our committee if he has been in contact with the chairman of the Senate District Committee on this matter to determine if he and his committee are prepared to move expeditiously on the referendum matter so that we may begin the task of getting the facts out to the people.

Mr. DIGGS. Mr. Chairman, will the gentleman yield?

Mr. FAUNTROY. I yield to the gentleman from Michigan.

Mr. DIGGS. I have every reason to believe that the other body will act and act expeditiously on this matter this week.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. DIGGS) to the committee amendment.

The question was taken; and on a division (demanded by Mr. GRAY) there were—ayes 35, noes 39.

RECORDED VOTE

Mr. REES. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 276, noes 69, not voting 87, as follows:

[Roll No. 149]

AYES—276

Adams	Findley	Mayne
Addabbo	Fish	Mazzoli
Anderson, Ill.	Fisher	Meeds
Andrews, N. Dak.	Flood	Mezvinsky
Archer	Flynt	Michel
Arends	Foley	Miller
Ashbrook	Ford	Mills
Bafalis	Forsythe	Minish
Baker	Fountain	Mink
Barrett	Fraser	Minshall, Ohio
Bauman	Frenzel	Mitchell, Md.
Beard	Fulton	Mitchell, N.Y.
Bennett	Fuqua	Moakley
Bergland	Gaydos	Montgomery
Bevill	Gettys	Moorhead, Pa.
Biester	Gilman	Mosher
Bingham	Goldwater	Moss
Boland	Gonzalez	Murphy, N.Y.
Bolling	Grasso	Murtha
Bray	Green, Pa.	Myers
Breckinridge	Gross	Natcher
Brooks	Gude	Nedzi
Brotzman	Gunter	Nelsen
Brown, Mich.	Haley	Nichols
Brown, Ohio	Hamilton	Obey
Broyhill, N.C.	Hammer-schmidt	O'Brien
Broyhill, Va.	Hanley	O'Hara
Buchanan	Hansen, Idaho	Parris
Burgener	Hastings	Passman
Burleson, Tex.	Hays	Patten
Burton	Hébert	Perkins
Byron	Hechler, W. Va.	Pettis
Camp	Heckler, Mass.	Pike
Carney, Ohio	Helstoski	Poage
Carter	Henderson	Podell
Casey, Tex.	Hillis	Powell, Ohio
Chappell	Hogan	Preyer
Clancy	Holifield	Pritchard
Clark	Holt	Quie
Clausen, Don H.	Holtzman	Railsback
Cleveland	Horton	Randall
Cohen	Hosmer	Rangel
Collier	Hudnut	Rarick
Collins, Ill.	Hungate	Rees
Collins, Tex.	Hunt	Regula
Conable	Hutchinson	Reuss
Conte	Jarman	Riegle
Conyers	Johnson, Colo.	Rinaldo
Corman	Johnson, Pa.	Robison, N.Y.
Cotter	Jones, Okla.	Rodino
Coughlin	Jordan	Roe
Daniel, Dan	Kastenmeier	Rogers
Daniel, Robert W., Jr.	Kemp	Rooney, Pa.
Davis, Wis.	Ketchum	Rose
de la Garza	King	Rosenthal
Dellenback	Koch	Rostenkowski
Dennis	Kuykendall	Rousselot
Devine	Kyros	Roybal
Dickinson	Landrum	Runnels
Diggs	Latta	St Germain
Dingell	Lehman	Sarasin
Donohue	Lujan	Sarbanes
Downing	Luken	Satterfield
Drinan	McCormack	Schneebeli
Dulski	McDade	Schroeder
Duncan	McFall	Sebelius
du Pont	McKinney	Seiberling
Eckhardt	Macdonald	Shriver
Edwards, Ala.	Madden	Shuster
Edwards, Calif.	Madigan	Sikes
Eilberg	Mahon	Skubitz
Erlenborn	Mallary	Smith, Iowa
Esch	Mann	Snyder
Evins, Tenn.	Martin, Nebr.	Spence
Fascell	Mathias, Calif.	Staggers
Steed	Mathis, Ga.	Stanton, J. William
Steelman	Matsunaga	Stark
Steiger, Ariz.	Treen	Williams
Steiger, Wis.	Udall	Wilson, Charles H., Calif.
Stephens	Ullman	Winn
Stokes	Van Deerlin	Wolff
Stratton	Vander Jagt	Wylie
Stuckey	Vander Veen	Yates
Studds	Vanik	Yatron
Symington	Veysey	Young, Ill.
Symms	Waggonner	Young, S.C.
Taylor, Mo.	Waldie	Young, Tex.
Taylor, N.C.	Wampler	Zablocki
Thomson, Wis.	Ware	Zion
Thone	Whalen	Zwach
Tiernan	White	
Towell, Nev.	Whitehurst	
	Whitten	
	Widnall	

NOES—69

Abdnor	Ginn	Mollohan
Alexander	Goodling	Moorhead, Calif.
Annunzio	Gray	Price, Ill.
Ashley	Grover	Price, Tex.
Biaggi	Hanna	Roberts
Blackburn	Hanrahan	Robinson, Va.
Brademas	Hansen, Wash.	Roncalio, Wyo.
Broomfield	Harsha	Roush
Brown, Calif.	Hicks	Ruth
Burke, Fla.	Hinshaw	Ryan
Burke, Mass.	Howard	Sandman
Burlison, Mo.	Huber	Scherle
Butler	Johnson, Calif.	Sisk
Cederberg	Jones, Ala.	Stanton, James V.
Chamberlain	Jones, N.C.	Sullivan
Clawson, Del	Karth	Thornton
Conlan	Kluczynski	Vigorito
Davis, Ga.	Lagomarsino	Wiggins
Delaney	Landgrebe	Wright
Denholm	Lent	Wyatt
Dent	Long, Md.	Wydler
Evans, Colo.	McClory	Young, Alaska
Frey	McCollister	
Giaimo	Martin, N.C.	

NOT VOTING—87

Abzug	Flowers	O'Neill
Anderson, Calif.	Frelinghuysen	Owens
Andrews, N.C.	Froehlich	Patman
Armstrong	Gibbons	Pepper
Aspin	Green, Oreg.	Peyser
Badillo	Griffiths	Pickle
Bell	Gubser	Quillen
Blatnik	Guyer	Reid
Boggs	Harrington	Rhodes
Bowen	Hawkins	Roncallo, N.Y.
Brasco	Heinz	Rooney, N.Y.
Breaux	Ichord	Roy
Brinkley	Jones, Tenn.	Ruppe
Burke, Calif.	Kazen	Shipley
Carey, N.Y.	Leggett	Shoup
Chisholm	Litton	Slack
Clay	Long, La.	Smith, N.Y.
Cochran	Lott	Steele
Crane	McCloskey	Stubblefield
Cronin	McEwen	Talcott
Culver	McKay	Teague
Daniels, Dominick V.	McSpadden	Thompson, N.J.
Danielson	Maraziti	Walsh
Davis, S.C.	Melcher	Wiggins
Dellums	Metcalfe	Wilson, Bob
Derwinski	Milford	Wilson, Charles, Tex.
Dorn	Mizell	Wyman
Eshleman	Morgan	Young, Fla.
	Murphy, Ill.	Young, Ga.
	Nix	

So the amendment to the committee amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. GRAY TO THE COMMITTEE AMENDMENT

Mr. GRAY. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. GRAY to the committee amendment: Page 21, strike out lines 4 through 8, inclusive, and insert in lieu thereof the following:

SEC. 16. (a) Subsection (b) of section 4 of the Dwight D. Eisenhower Memorial Bicentennial Civic Center Act (P.L. 92-520) is hereby repealed.

(b) Paragraph (4) of subsection (d) of section 18 of the Public Buildings Act of 1959 is amended by striking out the follow-

ing: ", and the Senate and House Committees on Appropriations,".

SEC. 17. This Act shall take effect on the date of its enactment.

Mr. REES. Mr. Chairman, I reserve a point of order on the amendment to the committee amendment.

The CHAIRMAN. The gentleman from California reserves a point of order on the amendment to the committee amendment.

Mr. SNYDER. Mr. Chairman, I too reserve a point of order on the amendment to the committee amendment.

The CHAIRMAN. The gentleman from Kentucky (Mr. SNYDER) reserves a point of order on the amendment to the committee amendment.

Mr. GRAY. Mr. Chairman, I offer this amendment very reluctantly, but as I said in the debate earlier, we have agonized over the Eisenhower Civic Center for some 4 years and, being the principal author, I have had my time preempted by it day after day, month after month, and year after year.

The main purpose of the Eisenhower Civic Center was to establish a national facility, a facility that would memorialize a decreased President, a two-term President, and a great war hero. Also, if the Members will notice by the title of the act, it says that we shall call this the "Dwight D. Eisenhower Memorial Bicentennial Civic Center Act." And when we authorized this in October 1972, we did so that all committees of the Congress would work with dispatch and so that this facility could have been completed by July of 1976, so our constituents could come here to enjoy the Bicentennial. But for some reason—and I have no idea why—the House Subcommittee on Appropriations for the District of Columbia has refused to allow the transfer of funds so that property could be acquired and land could be cleared, and has also refused to approve plans, cost estimates, and specifications.

That $14 million that the Members see on the board here is from my constituents, and from yours as a direct contribution recommended by the President of the United States in a letter to me dated in August of 1972, wherein President Nixon said that in order to have this facility ready for the Bicentennial, we feel that taxpayers' money should be cranked into the project for the use of the facility.

So the original enabling legislation called for a $14 million authorization. That money has never been appropriated. I say to my friend, in reply to the colloquy that was conducted with the gentleman from Iowa on the floor, that it never will be appropriated unless the House Subcommittee on Appropriations follows the law and acts.

My amendment is very simple. Let us have them pay for the project out of revenues generated from people using it. Why should my people in Illinois, and the constituents of the other Members contribute $14 million into this project if we are not going to have anything to say about it? It is just that simple.

So here is a chance to save $14 million. Here is a chance to eliminate the responsibility of the Committee on Appropriations. Since it is not going to allow money to be appropriated, there will be no need for oversight, so therefore the amendment simply deletes all the oversight, as it deletes the $14 million.

I cannot conceive of any Member voting against the amendment that voted for the referendum.

The first request was submitted to the Committee on Appropriations almost a year ago, and they have had hearing after hearing. They have heard from opponents and proponents, and as of 10 minutes ago the chairman of the subcommittee told me that he would not—and I repeat—he would not be guided by a referendum one way or another, so that the only thing we can do is to take out the Federal contribution, take out the $14 million, and allow the people of the District of Columbia to work their own will on this facility.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from California desire to be heard on the point of order?

Mr. REES. Yes, Mr. Chairman. The point of order is that the amendment offered by the gentleman from Illinois is not germane to the Eisenhower Memorial Civic Center Sinking and Support Funds Act of 1974, which is the bill now before us. What the gentleman's amendment does is amend the Public Buildings Act of 1959, as amended, to create the Eisenhower Civic Center. What his amendment would specifically do would be to delete two sections, one of them with the congressional approval, and the other, section 4(b), dealing with the authorization for $14 million.

It is my contention, Mr. Chairman, that his amendments would only be germane to specific legislation, which would be an amendment to the Public Buildings Act of 1959.

The CHAIRMAN. Does the gentleman from Illinois desire to be heard on the point of order.

Mr. GRAY. Yes, Mr. Chairman, I desire to be heard.

Mr. Chairman, the parameters and the scope of my amendment concern financing only. It is true that the Public Buildings Amendments Act of 1959, as amended, was the authority for the establishment of the authorization for this center. My amendment only deals with the $14 million, which is part of the financing similar to the purposes of H.R. 12473, which is to establish and finance a sinking fund for the Dwight D. Eisenhower Memorial Bicentennial Civic Center. Very simply put in Illinois country language, one puts in; the other takes out. It is a very simple amendment.

The CHAIRMAN. Does the gentleman from Kentucky desire to be heard on the point of order?

Mr. SNYDER. Mr. Chairman, I do wish to be heard.

I support the points raised by the gentleman from California with regard to germaneness. I take issue with the gentleman from Illinois that all this amendment does is relate to financing. That is not accurate. This amendment also takes away an oversight of the District of Columbia and of both the House and the Senate. It attempts to amend the provisions of law of the Committee on Public Works, rather than the attempts of the District of Columbia relating to this legislation concerning financing.

The CHAIRMAN (Mr. PRICE of Illinois). The gentleman from California (Mr. REES) makes the point of order that the amendment offered by the gentleman from Illinois (Mr. GRAY) is not germane to the committee amendment in the nature of a substitute for the bill H.R. 12473. The gentleman from Kentucky (Mr. SNYDER) also supports the point of order. The Chair has listened to the arguments in support of and against the point of order.

The committee amendment establishes a support fund for the Civic Center, into which will be deposited funds from operating revenues, spinoff tax benefits, certain local income, real estate and sales taxes and funds appropriated pursuant to the authorization of $14 million contained in section 18 of the Public Buildings Act as the Federal share for the construction costs of the Eisenhower Civic Center.

The amendment of the gentleman from Illinois would repeal that portion of the Eisenhower Civic Center Act—section 18 of the Public Buildings Act which authorizes the $14 million share—and repeal that portion of the "approval" provision contained in section 18 which requires approval of the Senate and House Committees on Appropriation. The amendment has been drafted as a substitute for the language contained in section 16 of the committee amendment, which provides that the provisions of H.R. 12473 become effective either on date of enactment or upon approval by the House and Senate Committees on District of Columbia and Appropriations as provided in section 18 of the Public Buildings Act, whichever is later.

While under ordinary circumstances an amendment to a law reported from committee B is not germane to a bill reported by committee A, in this instance the Gray amendment would appear to be germane to section 16 of the committee amendment to H.R. 12473.

The Chair would cite two reasons for reaching this conclusion: First, since section 16 of the committee amendment makes the act contingent upon approval of construction plans as provided in section 18 of the Public Buildings Act, an amendment to alter the approval mechanism contained in that act is germane; and second, since H.R. 12473 would transfer funds appropriated as the Federal share into the support fund being established in the bill, the concept of the extent of Federal participation in the project has been injected into the committee amendment. Therefore an amendment to eliminate the Federal share, thereby making the project one which will be financed entirely by local revenues, in the opinion of the Chair is germane.

For these reasons the Chair holds that the amendment is germane and overrules the point of order.

Mr. NELSEN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have here in my hand the RECORD of October 3, 1972, wherein a vote for an oversight opportunity for the House, offered by Mr. SNYDER, carried by a vote of 250 to 137. I must say that my colleague, the gentleman from Illinois (Mr. GRAY) at that time voted with the "noes" on that particular issue. His position here is thus consistent with his earlier position.

Mr. GRAY. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from Illinois.

Mr. GRAY. Is it not true though that at that time that we had a $14 million authorization in the bill and is it not a fact now there will be nothing to oversee if we take out the $14 million?

Mr. NELSEN. I have no desire to speak to that point at all. I only want to say in the home-rule legislation we provided in that legislation oversight by the Congress of the United States on budget and appropriation matters. Reference has been made to the fact that Appropriations Committee often consumes considerable time in its review. I want to say to the Appropriations Committee a little time taken in review of revenues spent here can only draw a compliment from me as far as that is concerned.

So I want to say I hope this amendment is defeated because I believe we now have a pretty good package the way the bill is drafted. The Rees financing plan plus a local referendum.

Mr. BROYHILL of Virginia. Mr. Chairman, I move to strike the last word and rise in support of the amendment.

Mr. Chairman, the amendment offered by the gentleman from Illinois (Mr. GRAY) is an attempt at a further compromise on this proposal. I feel that it is a terrific compromise.

The construction of this convention and civic center is vitally important to the Nation's Capital, and the people in the District who are going to pay the District's share of the costs are willing to underwrite the project and even to waive the $14 million Federal contribution. I think the Congress of the United States should go along with that.

If any group or any community who may be in a position to benefit from a Federal contribution is willing to have that authorization repealed, then we in the Congress should accept that position.

As I have said, there have been some recent roadblocks put forth to jeopardize the construction of this center. We have tried to meet all these objections, and have offered amendments so as to get approval from those who want to oppose the project. We have been years and years in working out plans for this center, and yet we do have a last-minute effort—and I am not referring to any of my colleagues on this floor—but there are some people in this city who are trying to kill this facility. They have not shown any interest in this project, nor in any other project offered in the past for the District of Columbia.

If it is necessary to waive the $14 million Federal contribution to make this project a reality, then we must agree to this action.

Washington, D.C., must have this project. The city's economy needs the jobs and the revenues that this facility will generate. It badly needs an economic shot in the arm. As I said before, the downtown area of this town is steadily deteriorating. We all want the Nation's Capital to grow and prosper, and not to deteriorate. In view of the warning that some Members of Congress have given that they will never go along with appropriating this $14 million, then I say let us repeal that authorization and let the people of the District of Columbia pay 100 percent of the cost themselves.

Mr. DIGGS. Mr. Chairman, I move to strike the last word.

I rise in opposition to the pending amendment to strike the special $14 million Federal payment for this project. The original authorization of these funds, which passed this body by 210 to 169, recognized the special Federal, local partnership that has been integral to this project.

The $14 million Federal fund is integral to the sound financial condition of the Dwight D. Eisenhower Memorial Bicentennial Civic Center, named in honor of our late President. First, these funds are important in the initial startup years of the center, before its full attendance level is met. Once the center is in full operation as Mr. REES outlined, the center will generate sufficient moneys to meet its costs. But during this crucial transition period—which all business operations experience—a fund will be needed to meet initial costs. The $14 million Federal fund should be available for this purpose.

Second, the $14 million will be available as additional financial back-up to the taxes authorized in H.R. 12473. This will help assure that sufficient funds will be available to pay off the yearly bond payments without placing a financial burden on the local District of Columbia taxpayers or having to go back to the Federal Treasury for this project.

Third, I would stress that the congressional Appropriations Committees will have full responsibility for appropriating any moneys and only so much as may be necessary from this special authorization.

Finally, I would state that Mr. REE's well thought out financing plan to pay the costs of this center is not a substitute for any Federal funds. Rather it builds upon the original congressionally approved authorization of $14 million and guarantees that these moneys will be used to help build this local and national center as Congress intended; and will not be used for any other purpose.

Mr. Chairman, I yield back the balance of my time.

Mr. SNYDER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am in accord with those who are speaking in opposition to the amendment, not so much as to the $14 million authorization, but so far as it would repeal the oversight of the District of Columbia Committee and the Committee on Appropriations. When this matter was debated in 1972, I offered an amendment on the floor which was adopted, and to which the gentleman has been referring. At that time the estimated cost was $65.5 million. Now if it had not been for the oversight hearings that were held by the Appropriations Subcommittee for the District of Columbia, we would not know today the cost with the amortization of the bonds is $165 million, rather than $65.5 million. We would not know there are only 89 to 95 parking spaces and things of that nature.

I think we argued this in 1972. We voted it substantially. We should affirm our action taken then and defeat this amendment.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. GRAY) to the committee amendment.

The question was taken; and on a division (demanded by Mr. GRAY) there were—ayes 60, noes, 39.

RECORDED VOTE

Mr. DIGGS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 142, noes 205, not voting 85, as follows:

[Roll No. 150]

AYES—142

Alexander	Gray	Obey
Annunzio	Green, Pa.	O'Hara
Archer	Grover	Parris
Arends	Gubser	Pike
Ashley	Gude	Poage
Baker	Hammer-schmidt	Pritchard
Bennett	Hanley	Randall
Bevill	Hanna	Reuss
Biaggi	Hanrahan	Rinaldo
Biester	Hanrahan	Robinson, Va.
Broomfield	Hays	Roe
Brown, Calif.	Hébert	Roncalio, Wyo.
Broyhill, N.C.	Hechler, W. Va.	Rostenkowski
Broyhill, Va.	Heckler, Mass.	Ruth
Burke, Fla.	Hicks	Ryan
Burke, Mass.	Hinshaw	Sandman
Butler	Hogan	Sarasin
Byron	Holifield	Satterfield
Camp	Howard	Schroeder
Carney, Ohio	Hungate	Sebelius
Clancy	Jarman	Seiberling
Clawson, Del	Johnson, Calif.	Shuster
Cohen	Johnson, Pa.	Sisk
Collier	Jones, N.C.	Stanton, J. William
Cotter	Jordan	Stanton, James V.
Daniel, Dan	Karth	Steed
Daniel, Robert W., Jr.	Kluczynski	Steelman
Davis, Ga.	Kyros	Steiger, Wis.
Davis, Wis.	Lagomarsino	Stephens
Delaney	Lent	Studds
Dellenback	Long, Md.	Sullivan
Denholm	Luken	Thomson, Wis.
Duncan	McCormack	Thornton
Edwards, Ala.	Mann	Towell, Nev.
Eilberg	Martin, Nebr.	Treen
Evins, Tenn.	Martin, N.C.	Udall
Findley	Mathias, Calif.	Ullman
Fisher	Mathis, Ga.	Van Deerlin
Fuqua	Meeds	Vanik
Gaydos	Miller	Vigorito
Giaimo	Minshall, Ohio	Wampler
Ginn	Mollohan	Ware
Gonzalez	Moss	Whitehurst
Grasso	Murphy, N.Y.	Whitten
	Murtha	

Widnall Wolff Young, Alaska
Williams Wright Young, Ill.
Wilson, Wydler Young, Tex.
Charles, Tex. Yatron Zablocki

NOES—205

Abdnor Frenzel O'Neill
Adams Frey Passman
Addabbo Gettys Patten
Anderson, Ill. Gilman Pepper
Andrews, Goldwater Perkins
N. Dak. Goodling Pettis
Ashbrook Gross Podell
Bafalis Gunter Powell, Ohio
Barrett Haley Preyer
Bauman Hamilton Price, Ill.
Beard Hansen, Idaho Price, Tex.
Bergland Harsha Quie
Bingham Hastings Railsback
Blackburn Helstoski Rangel
Boland Henderson Rarick
Bolling Hillis Rees
Brademas Holt Regula
Bray Holtzman Riegle
Breckinridge Horton Roberts
Brooks Hosmer Robison, N.Y.
Brotzman Huber Rodino
Brown, Mich. Hudnut Rogers
Brown, Ohio Hunt Rooney, Pa.
Buchanan Hutchinson Rose
Burgener Ichord Rosenthal
Burleson, Tex. Johnson, Colo. Roush
Burlison, Mo. Jones, Ala. Rousselot
Burton Jones, Okla. Roybal
Carter Kastenmeier Runnels
Casey, Tex. Kemp St Germain
Cederberg Ketchum Sarbanes
Chamberlain King Scherle
Chappell Koch Schneebeli
Clark Kuykendall Shriver
Clausen, Landgrebe Sikes
Don H. Landrum Skubitz
Cleveland Latta Smith, Iowa
Collins, Ill. Lehman Snyder
Collins, Tex. Lujan Spence
Conable McClory Staggers
Conlan McCollister Stark
Conte McDade Steiger, Ariz.
Conyers McFall Stokes
Corman McKinney Stratton
Coughlin Macdonald Stuckey
de la Garza Madden Symington
Dennis Madigan Symms
Dent Mahon Taylor, Mo.
Devine Mallary Taylor, N.C.
Dickinson Matsunaga Teague
Diggs Mazzoli Thone
Donohue Mezvinsky Tiernan
Downing Michel Vander Jagt
Drinan Mills Vander Veen
Dulski Minish Veysey
du Pont Mink Waggonner
Eckhardt Mitchell, Md. Waldie
Edwards, Calif. Mitchell, N.Y. Whalen
Erlenborn Moakley White
Esch Montgomery Whitten
Evans, Colo. Moorhead, Wilson,
Fascell Calif. Charles H.,
Fish Moorhead, Pa. Calif.
Flood Mosher Winn
Flynt Myers Wyatt
Foley Natcher Wylie
Ford Nedzi Yates
Forsythe Nelsen Young, S.C.
Fountain Nichols Zion
Fraser O'Brien Zwach

NOT VOTING—85

Abzug Davis, S.C. McEwen
Anderson, Dellums McKay
Calif. Derwinski McSpadden
Andrews, N.C. Dingell Maraziti
Armstrong Dorn Mayne
Aspin Eshleman Melcher
Badillo Flowers Metcalfe
Bell Frelinghuysen Milford
Blatnik Froehlich Mizell
Boggs Fulton Morgan
Bowen Gibbons Murphy, Ill.
Brasco Green, Oreg. Nix
Breaux Griffiths Owens
Brinkley Guyer Patman
Burke, Calif. Hansen, Wash. Peyser
Carey, N.Y. Harrington Pickle
Chisholm Hawkins Quillen
Clay Heinz Reid
Cochran Jones, Tenn. Rhodes
Crane Kazen Roncallo, N.Y.
Cronin Leggett Rooney, N.Y.
Culver Litton Roy
Daniels, Long, La. Ruppe
Dominick V. Lott Shipley
Danielson McCloskey Shoup
Slack Talcott Wilson, Bob
Smith, N.Y. Thompson, N.J. Wyman
Steele Walsh Young, Fla.
Stubblefield Wiggins Young, Ga.

So the amendment to the committee amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the committee amendment as amended.

The committee amendment as amended was agreed to.

Mr. DIGGS. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PRICE of Illinois, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12473) to establish and finance a bond sinking fund for the Dwight D. Eisenhower Memorial Bicentennial Civic Center, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. DIGGS. Mr. Speaker, I move the previous question on the bill and the amendment thereto final passage.

The previous question was ordered.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. MYERS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 138, nays 211, not voting 83, as follows:

[Roll No. 151]

YEAS—138

Adams Conyers Hays
Addabbo Corman Heckler, Mass.
Anderson, Ill. Dent Helstoski
Arends Diggs Hogan
Barrett Drinan Holifield
Bergland Dulski Holtzman
Biester du Pont Johnson, Calif.
Bingham Eckhardt Jordan
Boland Edwards, Calif. Karth
Bolling Fascell Kastenmeier
Brademas Flood Koch
Breckinridge Foley Kyros
Brown, Calif. Ford Lent
Brown, Mich. Fraser Luken
Broyhill, N.C. Fuqua McClory
Broyhill, Va. Giaimo McDade
Buchanan Ginn McFall
Burke, Fla. Gonzalez McKinney
Burke, Mass. Grasso Madden
Burton Grover Mann
Butler Gude Martin, N.C.
Carney, Ohio Hammer- Mathias, Calif.
Clausen, schmidt Matsunaga
Don H. Hanley Mazzoli
Cohen Hanna Meeds
Collins, Ill. Hanrahan Mezvinsky
Conte Harsha Miller
Mills Railsback Steelman
Mink Rangel Stephens
Minshall, Ohio Rees Stokes
Mitchell, Md. Reuss Stuckey
Moakley Riegle Studds
Moorhead, Pa. Robison, N.Y. Treen
Mosher Rodino Udall
Murphy, N.Y. Rogers Vander Jagt
Nedzi Rooney, Pa. Vander Veen
Nelsen Rose Waldie
O'Hara Rosenthal Ware
O'Neill Roybal Whalen
Farris Sandman Wilson,
Pepper Sarasin Charles, Tex.
Pike Sarbanes Wolff
Podell Schroeder Wright
Preyer Sisk Yates
Price, Ill. Staggers Zablocki
Price, Tex. Stanton, Zion
Pritchard James V.
Quie Stark

NAYS—211

Abdnor Gilman Poage
Alexander Goldwater Powell, Ohio
Andrews, Goodling Randall
N. Dak. Gray Rarick
Annunzio Green, Pa. Regula
Archer Gross Rinaldo
Ashbrook Gubser Roberts
Ashley Gunter Robinson, Va.
Bafalis Haley Roe
Baker Hamilton Roncalio, Wyo.
Bauman Hansen, Idaho Rostenkowski
Beard Hansen, Wash. Roush
Bennett Hastings Rousselot
Bevill Hébert Runnels
Biaggi Hechler, W. Va. Ruth
Blackburn Henderson Ryan
Bray Hicks St Germain
Brooks Hillis Satterfield
Broomfield Hinshaw Scherle
Brotzman Holt Schneebeli
Brown, Ohio Horton Sebelius
Burgener Hosmer Seiberling
Burleson, Tex. Howard Shriver
Burlison, Mo. Huber Shuster
Byron Hudnut Sikes
Camp Hungate Skubitz
Carter Hunt Smith, Iowa
Casey, Tex. Hutchinson Snyder
Cederberg Ichord Spence
Chamberlain Jarman Stanton,
Chappell Johnson, Colo. J. William
Clancy Johnson, Pa. Steed
Clark Jones, Ala. Steiger, Ariz.
Clawson, Del Jones, N.C. Steiger, Wis.
Cleveland Jones, Okla. Stratton
Collier Kemp Sullivan
Collins, Tex. Ketchum Symington
Conable King Symms
Conlan Kluczynski Taylor, Mo.
Cotter Kuykendall Taylor, N.C.
Coughlin Lagomarsino Teague
Daniel, Dan Landrum Thomson, Wis.
Daniel, Robert Latta Thone
W., Jr. Lehman Thornton
Davis, Ga. Long, Md. Tiernan
Davis, Wis. Lujan Towell, Nev.
de la Garza McCollister Ullman
Delaney McCormack Van Deerlin
Dellenback Macdonald Vanik
Denholm Madigan Veysey
Dennis Mahon Vigorito
Devine Mallary Waggonner
Dickinson Martin, Nebr. Wampler
Donohue Mathis, Ga. White
Downing Mayne Whitehurst
Duncan Michel Whitten
Edwards, Ala. Minish Widnall
Eilberg Mitchell, N.Y. Williams
Erlenborn Mollohan Wilson,
Esch Montgomery Charles H.,
Evans, Colo. Moorhead, Calif.
Evins, Tenn. Calif. Winn
Findley Moss Wyatt
Fish Murtha Wydler
Fisher Myers Wylie
Flynt Natcher Yatron
Forsythe Nichols Young, Alaska
Fountain Obey Young, Ill.
Frenzel O'Brien Young, S.C.
Frey Passman Young, Tex.
Fulton Patten Zwach
Gaydos Perkins
Gettys Pettis

NOT VOTING—83

Abzug Aspin Bowen
Anderson, Badillo Brasco
Calif. Bell Breaux
Andrews, N.C. Blatnik Brinkley
Armstrong Boggs Burke, Calif.

Carey, N.Y.	Hawkins	Pickle
Chisholm	Heinz	Quillen
Clay	Jones, Tenn.	Reid
Cochran	Kazen	Rhodes
Crane	Landgrebe	Roncallo, N.Y.
Cronin	Leggett	Rooney, N.Y.
Culver	Litton	Roy
Daniels, Dominick V.	Long, La.	Ruppe
	Lott	Shipley
Danielson	McCloskey	Shoup
Davis, S.C.	McEwen	Slack
Dellums	McKay	Smith, N.Y.
Derwinski	McSpadden	Steele
Dingell	Maraziti	Stubblefield
Dorn	Melcher	Talcott
Eshleman	Metcalfe	Thompson, N.J.
Flowers	Milford	Walsh
Frelinghuysen	Mizell	Wiggins
Froehlich	Morgan	Wilson, Bob
Gibbons	Murphy, Ill.	Wyman
Green, Oreg.	Nix	Young, Fla.
Griffiths	Owens	Young, Ga.
Guyer	Patman	
Harrington	Peyser	

So the bill was not passed.

The Clerk announced the following pairs:

On this vote:

Mr. Thompson of New Jersey for, with Mr. Stubblefield against.

Ms. Abzug for, with Mr. Andrews of North Carolina against.

Mr. Hawkins for, with Mr. Brinkley against.

Mr. Dominick V. Daniels for, with Mr. Flowers against.

Mr. Cronin for, with Mr. Froehlich against.

Mr. Harrington for, with Mr. Guyer against.

Mrs. Burke of California for, with Mr. Landgrebe against.

Mr. Leggett for, with Mr. Maraziti against.

Mr. Carey of New York for, with Mr. Quillen against.

Mr. Dingell for, with Mr. Young of Florida against.

Mr. Clay for, with Mr. Wyman against.

Mr. Reid for, with Mr. Talcott against.

Mr. Metcalfe for, with Mr. Shoup against.

Mr. Young of Georgia for, with Mr. Walsh against.

Mr. Badillo for, with Mr. Bob Wilson against.

Mr. Anderson of California for, with Mr. McEwen against.

Mr. Danielson for, with Mr. Eshleman against.

Mr. Patman for, with Mr. Crane against.

Mrs. Chisholm for, with Mr. Derwinski against.

Mr. Dellums for, with Mr. Dorn against.

Mr. Nix for, with Mr. Jones of Tennessee against.

Mrs. Griffiths for, with Mr. Murphy of Illinois against.

Mr. Rhodes for, with Mr. Davis of South Carolina against.

Until further notice:

Mr. Pickle with Mr. McKay.
Mr. Blatnik with Mr. Kazen.
Mr. Brasco with Mr. Slack.
Mr. Breaux with Mrs. Green of Oregon.
Mr. Milford with Mr. Bell.
Mr. Litton with Mr. Gibbons.
Mr. Long of Louisiana with Mr. Mizell.
Mr. Culver with Mr. Cochran.
Mr. Rooney of New York with Mr. Lott.
Mr. Roy with Mr. McCloskey.
Mr. Melcher with Mr. Morgan.
Mr. McSpadden with Mr. Peyser.
Mr. Aspin with Mr. Owens.
Mrs. Boggs with Mr. Roncallo of New York.
Mr. Bowen with Mr. Shipley.
Mr. Frelinghuysen with Mr. Ruppe.
Mr. Heinz with Mr. Smith of New York.
Mr. Steele with Mr. Wiggins.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DIGGS. Mr. Speaker, I ask unanimous consent that all Members may revise and extend their remarks on the bill (H.R. 12473) just considered.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

The was no objection.

CHANGE IN LEGISLATIVE PROGRAM

(Mr. O'NEILL asked and was given permission to address the House for 1 minute.)

Mr. O'NEILL. Mr. Speaker, I take this time to announce a change in the order of business for tomorrow. We will consider the legislative appropriations bill after the changes in certain House procedures resolution. In other words, House Resolution 998 will come before the legislative appropriations bill on Tuesday, tomorrow.

CONGRESSIONAL COUNTDOWN ON CONTROLS

(Mr. STEELMAN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. STEELMAN. Mr. Speaker, I highly commend the Committee on Banking and Currency for voting last week not to consider any of the bills to extend in some form the Economic Stabilization Act of 1970. We are now almost at the point of returning to the law of supply and demand in the marketplace, and it is high time we did so.

This is not the first time in our history we have seen the failure of wage and price controls. The early Americans had a similar experience, and I submit for the RECORD an article written by Robert L. Schuettinger, former assistant professor of political science at the Catholic University of America:

THE EARLY AMERICANS

The early New England colonists were convinced that government ought to extend its powers into the regulation of all aspects of society, from the religious to the political to the economic. "This was a defect of the age," the economic historian William Weeden tells us (though hardly a defect unique to seventeenth century Massachusetts) "but the Puritan legislator fondly believed that, once freed from the malignant influence of the ungodly, that once based upon the Bible; he could legislate prosperity and well-being for every one, rich or poor."

In 1630 the General Court made a fruitless attempt to fix wage rates. Carpenters, joiners, bricklayers, lawyers and thatchers were to receive no more than two shillings a day. A fine of ten shillings was to be levied against anyone who paid or received more. In addition, "no commodity should be sold at above four pence in the shilling [33%] more than it cost for ready money in England; oil, wine, etc., and cheese in regard to the hazard of bringing, etc., (excepted)."

Weeden comments dryly that "These regulations lasted about six months and were repealed."

There was an attempt at about the same time to regulate trade with the Indians . . . with the same result. The price of beaverskins (an important article of trade at the time) was set at no more than 6 shillings a skin with a "fair" profit of 30% plus cost of transportation. A shortage of corn, however, drove the price of that commodity up to 10 shillings "the strike," and sales of this dwindling supply to the Indians were prohibited. "Under this pressure, beaver advanced to 10 shillings and 20 shillings per pound; "no corn, no beaver," said the native. The Court was obliged to remove the fixed rate, and the price ruled at 20 shillings."

The offshoot of the Massachusetts Bay Colony in Connecticut experienced the same artificial efforts to control prices and to divert trade from its natural courses. One nineteenth century historian has briefly summed up these attempts. "The New Haven colony," he wrote, "was made notorious by its minute inquisition into the details of buying and selling, of eating and dressing and of domestic difficulties. Then the people were mostly of one mind about the wisdom of such meddling, the community was small and homogeneous in population and religious sentiments. If such legislative interference could have been beneficient, here was a favorable opportunity. It failed utterly. The people were wise enough to see that it was a failure."

The effects of controls on prices and wages were by no means confined to the English-speaking colonies in North America. In the territory that is now the State of Illinois, French settlers were faced with similar harassments from a far away government. In a history of that part of French North America, Clarence Alvord notes: "The imposition of minute regulations issued from Versailles had been a burden upon the beaver trade. Fixed prices for beavers of every quality, that had to be bought, whatever the quantity, by the farmers at the Canadian ports, had made impossible a free development and had reduced the farmers one after another to the verge of bankruptcy . . . an order was issued on May 26, 1696, recalling all traders and prohibiting them from going thereafter into the wilderness . . . [though] complete enforcement of the decree was impossible."

The sporadic attempts during the seventeenth and early eighteenth centuries to control the economic life of the American colonies increased in frequency with the approach of the War of Independence.

One of the first actions of the Continental Congress in 1775 was to authorize the printing of paper money . . . the famous "Continentals." Pelatiah Webster, who was America's first economist, argued very cogently in a pamphlet published in 1776 that the new Continental currency would rapidly decline in value unless the issuance of paper notes was curbed. His advice went unheeded and, with more and more paper in circulation, consumers naturally began to bid up prices for a stock of goods that did not increase as fast as the money supply. By November, 1777, commodity prices had risen 480% above the pre-war average.

The Congress, however, at least when addressing the public, professed not to believe that their paper money was close to valueless but that prices had risen mainly because of unpatriotic speculators who were enemies of the government. "The real causes of advancing prices," one historian notes, "were as completely overlooked by that body as they were by Lysias when prosecuting the corn-factors of Greece. As the Greek orator wholly attributed the dearness of corn to a combination among the factors, so did Congress ascribe the enormous advance in the price of things to the action of those having commodities for sale."

On November 19, 1776, the General Assembly of Connecticut felt impelled to pass a series of regulations providing for maximum

prices for many of the necessaries of life. It also declared that "all other necessary articles not enumerated be in reasonable accustomed proportion to the above mentioned articles." Another similar act was passed in May, 1777. By August 13, 1777, however, the unforeseen results of these acts became clear to the legislators and on that date both acts were repealed.

In February 1778, however, the pro-regulation forces were again in the ascendancy and Connecticut adopted a new tariff of wages and prices. Retail prices were not to exceed wholesale prices by more than 25% plus the cost of transportation. In a few months it became evident once again that these controls would work no better than the former attempts and in June 1778, the Governor of Connecticut wrote to the President of the Continental Congress that these laws too, "had been ineffectual."

The Connecticut experience, of course, was by no means unique. Massachusetts, among other states went through almost exactly the same on-again, off-again syndrome with its own verison of wage and price controls. In January 1777, a law was passed imposing "maximum prices for almost all the ordinary necessaries of life: food, fuel and wearing apparel, as well as for day labor . . . so far as its immediate aim was concerned," an historian concludes, "the measure was a failure". In June 1777, a second law was passed (a Phase II), on the ground that the prices fixed by the first law were "not adequate to the expense which will hereafter probably be incurred in procuring such articles." A few months later, in September, the General Court of Massachusetts, convinced that the price-fixing measures "have been very far from answering the salutary purposes for which they were intended" completely repealed both laws.

In Pennsylvania, where the main force of Washington's army was quartered in 1777, the situation was even worse. The legislature of that commonwealth decided to try a period of price control limited to those commodities needed for the use of the army. The theory was that this policy would reduce the expense of supplying the army and lighten the burden of the war upon the population. The result might have been anticipated by those with some knowledge of the trials and tribulations of other states. The prices of uncontrolled goods, mostly imported, rose to record heights. Most farmers kept back their produce refusing to sell at what they regarded as an unfair price. Some who had large families to take care of even secretly sold their food to the British who paid in gold.

After the disasterous winter at Valley Forge when Washington's army nearly starved to death (thanks largely to these well-intentioned but misdirected laws) the ill-fated experiment in price controls was finally ended. The Continental Congress on June 4, 1778, adopted the following resolution:

"Whereas . . . it hath been found by experience that limitations upon the prices of commodities are not only ineffectual for the purposes proposed, but likewise productive of very evil consequences to the great detriment of the public service and grievous oppression of individuals . . . resolved, that it be recommended to the several states to repeal or suspend all laws or resolutions within the said states respectively limiting, regulating or restraining the Price of any Article, Manufacture or Commodity."

One historian of the period tells us that after this date commissary agents were instructed "to give the current price . . . let it be what it may, rather than that the army should suffer, which you have to supply and the intended expedition be retarded for want of it." By the Fall of 1778 the army was fairly well-provided for as a direct result of this change in policy. The same historian goes on to say that "the flexibility in offering prices and successful purchasing in the country in 1778 procured needed winter supplies wanting in the previous year."

The American economist, Pelatiah Webster, writing toward the end of the War of Independence in January 1780, evaluated in a few succinct words the sporadic record of price and wage controls in the new United States. "As experiment is the surest proof of the natural effects of all, speculations of this kind," he wrote, ". . . it is strange, it is marvelous to me, that any person of common discernment, who has been acquainted with all the above-mentioned trials and effects, should entertain any idea of the expediency of trying any such methods again. . . Trade, if let alone, will ever make its own way best, and like an irresistible river, will ever run safest, do least mischief and do most good, suffered to run without obstruction in its own natural channel."

THE JUDICIARY COMMITTEE AND THE IMPEACHMENT INQUIRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. McCLORY) is recognized for 60 minutes.

(Mr. McCLORY asked and was given permission to revise and extend his remarks, and to include two items of extraneous material.)

Mr. McCLORY. Mr. Speaker, I have requested this special order on behalf of several of my Republican colleagues and myself for the purpose of setting forth our views regarding the present status and future actions of the House Judiciary Committee in the pending impeachment inquiry which has been before our committee since last October.

I should preface my remarks by stating that I am not complaining here about any delays or foot-dragging. However, I would insist that some important decisions should be made now—this week, before the congressional recess and before the members of the committee leave Washington on Thursday—not to return again until Monday, April 22.

Mr. Speaker, while our committee has had the benefit of a number of briefings presented by our competent staff of lawyers and researchers, who have not had a meeting of the committee at which business on this subject might be conducted since March 7. There is important business pending before the committee right now, business which requires positive and prompt action—business which will determine the speed, the thoroughness and the fairness of the pending impeachment inquiry.

One subject which remains in limbo is that of the committee's request for information consisting of itemized takes or transcripts of conversations between the President and various of his aides as set forth in the committee's letter of February 25, and supplemented in Mr. Doar's letter of April 4. While I would hope that this subject might be resolved before tomorrow's deadline, as set forth in the April 4 letter, it would seem essential to convene a meeting of the committee no later than Wednesday, April 10, if any committee action is to be taken on this subject before the congressional recess.

In my own mind, a subject of even greater importance would be the adoption of detailed rules of procedure to govern the receipt of evidence by the members of the committee as proposed to be detailed in a trial book to be prepared by the staff together with citations of documentary and other factual evidence, as well as transcripts, excerpts of grand jury reports and other materials to be furnished to the committee members.

In this connection, it should be established at once whether the hearing at which the initial presentation is to be made and related evidentiary materials are to be received are to be opened to the public—and whether permission is to be granted to televise these sessions.

For my own part, it is completely unacceptable to suggest, as the staff has done on page 22 of the memorandum of April 3, 1974, that the committee defer the adoption of its procedures until it has received and considered the initial presentation by committee counsel respecting the facts and evidence. As I stated at the last briefing session, this would seem to put "the cart before the horse"—where the committee would first receive a detailed presentation of evidence—and adopt—at some future time—the rules of procedure under which its inquiry is to be conducted.

In addition, if it is proposed to defer the presence of counsel for the President until after the completion of such a presentation, then it would seem that his request—and the desire of a substantial number of the members of this committee—would be circumvented and effectively thwarted.

It is my individual view that if the trial book or initial presentation is intended to serve as a sort of opening statement, the staff's proposal, as outlined, goes far beyond this concept and would appear instead to be a rather detailed exparte presentation of the case in support of possible articles of impeachment. I am sure it would be interpreted by the public in that way—and there would probably be substantial difficulty in delaying action by the committee in order to receive supplemental evidence after 4 or 5 weeks had elapsed while the initial presentation of evidence was taking place. I would suggest that if counsel wishes to present some kind of opening statement, this could be done in a much more abbreviated form to occupy—without interruption—a single morning or morning and afternoon meeting of the committee.

Mr. Speaker, I am not suggesting in any way that the committee's rules of confidentiality should be violated, and I would offer the suggestion that the committee should act—and act at once to determine whether executive sessions should be held when grand jury transcripts or other confidential materials are to be examined. We should also determine whether the rules of confidentiality

might be expanded to permit counsel for the President, in addition to the presently designated individual to review such confidential materials. Such a revision might be of particular significance in receiving the six itemized subjects which the White House has failed so far to furnish.

Mr. Speaker, it was my feeling at the outset of this inquiry that the interrogation of witnesses—including questions relating to documentary proof—would be handled largely through our committee counsel. Such a view was prompted, of course, by the fact that the committee has failed to establish a formal ad hoc or subcommittee—as was done in every earlier impeachment inquiry. The potentially interminable proceedings which could result from extensive examination or cross-examination of all 38 members of the committee would not seem to be a feasible means of conducting—and concluding the impeachment inquiry in which we are engaged.

Mr. Speaker, another subject on which I assume some of my colleagues may wish to comment is that relating to the use of depositions as an alternative for testimony from live witnesses before the committee. Personally, I have no objection to the use of depositions. I feel that where testimony is to be taken in this manner, the same rights should be accorded to counsel for the President as the committee should be expected to accord to the President's counsel before the committee itself. I am informed that in lieu of depositions the staff has resorted to securing testimony by way of affidavits. I question whether this is consistent with the views of those committee members who feel strongly about according the privilege of cross examination to counsel for the President. Indeed, the distinction between a deposition and an affidavit—where it is proposed to use such an affidavit as evidence—is specious.

Mr. Speaker, I am sure that there are other items of business which the committee should be undertaking at committee meetings. It is quite unlikely that all of the business could be transacted at one single meeting. Accordingly, it would be my hope that the Judiciary Committee might meet tomorrow, as well as on Thursday for the purpose of discussing and resolving at least some of these pressing points which I have raised. At the very least, it would seem that the committee members should have in hand during the Easter recess a draft of the proposed rules of procedure for conducting the hearing and receipt of evidence—whether the presentation is made by way of documentary proof or live witnesses—and that the rules of procedure should be adopted in advance of the time when any evidence is offered to or received by the committee.

Mr. Speaker, I feel sincerely that the chairman of our committee has a basic desire to be fair and objective in the conduct of this impeachment inquiry. The suggestions that I have offered here today are consistent with my personal desire to be both fair and objective. The quality of our work and the general public acceptance of our efforts depends upon the decision and actions which we as members of the committee and as Members of the Congress take. The suggestions and recommendations which my colleagues and I are offering today are made in the spirit of providing the most responsible and the most honorable performance possible under the unique constitutional mandate with which we are charged.

The suggestions follow:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., April 5, 1974.

DEAR COLLEAGUE: In cooperation with several Republican colleagues on the Committee, I have requested a Special Order for Monday, April 8, following the close of legislative business to discuss subjects related to the Impeachment Inquiry pending before our Committee.

It has been suggested that we discuss, among other things, the following:

1) The need for calling one or more "Meetings" of the House Judiciary Committee before the Easter Recess for the purpose of transacting Committee business related to the Impeachment Inquiry.

2) The necessity of adopting Rules of Procedure to establish (a) rights of Counsel for the President (b) privilege of cross-examination (c) order of proof, etc. before proceeding with the receipt of documentary evidence to be delineated in the Staff's "trial book."

3) Determine the rights of Members in connection with the receipt of evidence.

4) Adoption of a tentative daily and overall timetable for hearings, i.e. (a) morning and afternoon meetings (b) night sessions (c) meetings on consecutive days.

5) Establishment of the criterion of proof necessary to support any proposed Articles of Impeachment and,

6) Other relevant subjects.

I hope that you will be present on the Floor Monday afternoon to participate in the Special Order discussion of these and related subjects.

Sincerely yours,

ROBERT MCCLORY,
Member of Congress.

I merely want to add I did send letters out to my Republican colleagues and notified the majority side as well and the committee staff of this special order. I am attaching the colleague letter to these remarks.

Mr. DEVINE. Will the gentleman yield?

Mr. MCCLORY. I yield to the gentleman from Ohio.

Mr. DEVINE. I thank the gentleman for his taking this time to bring this matter up.

I inquire of him whether he feels this committee is being operated in a partisan or political manner.

Mr. MCCLORY. Well, it is my feeling that the committee is operating at the present time in a bipartisan way. The questions I am raising today are questions which have come to my attention and which cause me to be apprehensive. I am apprehensive that if the initial presentation of evidence is done without counsel for the President being present, it would be interpreted as a partisan proimpeachment undertaking. I think all members of the committee would be criticized for that kind of procedure.

Mr. DEVINE. Will the gentleman yield further?

Mr. MCCLORY. I yield to the gentleman.

Mr. DEVINE. The thrust of my remarks is initiated because of a UPI release with the Washington byline dated March 27 in which it says:

Democratic National Chairman Robert Strauss said Wednesday his "morning line" is that a Nixon impeachment trial will be underway or scheduled by early December, and that Democrats may have to decide then whether to take a party stand on the issue.

"That's how I see the odds now," he said.

Strauss also said:

Democratic candidates in different parts of the country may want to take different approaches to Watergate because of a varying political climate.

"It may be different in the south than it is in the north," he added.

Finally Strauss said:

The party's position on Watergate—if it finally adopts one—must be based on what "is good or bad for the Democrats" and whether it will detract from any actual impeachment proceedings.

So with this statement attributed to the Democratic Party's national chairman in a UPI release I was wondering whether we are going in that direction.

Mr. MCCLORY. I could only interpret that as being a strong partisan position and a strong partisan recommendation on the part of the chairman of the Democratic National Committee.

I would like to differentiate between his views and those that are held by those of us serving in this very sensitive and very unique role as members of the House Committee on the Judiciary.

While I am aware of the fact that some of the Democratic Members have themselves introduced resolutions for impeachment, I believe that by and large the Members on the Democratic side as well as all of the Republicans are endeavoring to be impartial and objective and will listen to the evidence and decide their case on the basis of the Constitution and the law and the evidence.

The only thing I am concerned about at this stage is if the case is presented in a way where it is ex parte and we only hear one side and go through this format for 4 or 5 weeks, it will be very difficult to be impartial and objective. If the Republicans at that point suggest we should have further hearings with live witnesses, we will be charged with dilatory tactics. Consequently I feel we should adopt the rules of procedure under which we should operate as the first order of business.

We should adopt them now, and then proceed on the basis of following those rules to assure that our procedures are fair and impartial insofar as all of the parties are concerned.

Mr. SANDMAN. Mr. Speaker, will the gentleman yield?

Mr. MCCLORY. I yield to the gentleman from New Jersey (Mr. SANDMAN) who has contributed so much to our hearings.

Mr. SANDMAN. Mr. Speaker, I rise in support of what the gentleman from Illinois (Mr. McCLORY) has said. I want to compliment the gentleman for taking this special order today. I think it is long overdue that something has been said and probably should have been said a long time ago.

Not to go through a long tirade, or anything, but I am one of the people who voted for the broadest possible subpena power. I voted against every one of the restrictive amendments to the subpena power. I have publicly said that the President should supply anything and everything that the committee wants, and that is the way I believe we should function, so no one can say I am trying to defend the President. But I can remember coming back here on January 7.

If the Members will recall, the House did not go into session until January 21, but I came back from a vacation in Jamaica on January 7, and some other Members came in from California, Illinois, and from all over the country so as to meet here 2 weeks before opening day of Congress on January 21.

I thought when I came here then that I was going to take part in trying to arrive at some agreement on the rules of procedure. As I say, that was back in January, 3 months ago. We did not do anything on January 7, and, quite honestly, we have not done anything since January 7 that means anything. Here we are a couple of months later, and we still have not resolved one single point as to procedure. All we do is meet once in a while, whenever the counsel feels that he has something he should tell us. We ask questions but we do not get answers. And, of course, we never have a business meeting. All we have are briefings.

This by itself is ridiculous. Now we receive information today that we are not going to perhaps adopt any rules of procedure until after Mr. Doar makes his presentation of facts. Does not that make a lot of sense?

This will be one member of the committee of 37 of us, all members of the bar, who cannot believe that this is the way we ought to function. Of course it is not, it is ridiculous.

Then, of course, we are also told that we have a brand new procedure now. We may not even have one live witness come before this committee, that a good bit of this is going to be presented by self-serving affidavits.

As liberal as I have been on the subpena power, this is one member of the committee that is never going to vote for an impeachment if this is the way we are going to try to get it. This is what makes me so apprehensive about what we do from day to day. They are going to decided whether or not the President of the United States shall be treated as any other citizen, and be represented by counsel, and they are going to decide that after Mr. Doar presents the evidence, not before. That is what was said in the release made by the gentleman from New Jersey (Mr. RODINO) this morning. There is no getting around it.

Mr. EDWARDS of California. Mr. Speaker, will the gentleman yield at that point?

Mr. SANDMAN. Not now. But I will be glad to yield to the gentleman later.

The SPEAKER pro tempore. The Chair would advise the gentleman from New Jersey that the gentleman from Illinois (Mr. McCLORY) has control of the time, and the gentleman from Illinois can yield at any time he desires to any other Member.

Mr. EDWARDS of California. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. When the gentleman from New Jersey concludes his statement then I will yield to the gentleman from California.

Mr. SANDMAN. Mr. Speaker, I thought the gentleman from Illinois yielded to me for the purpose of my making a statement, and that is all I am doing. So we will go on from there.

Nobody has decided whether or not we are going to have open hearings, public hearings, whether we function as a grand jury or as to the weight of the evidence that is necessary; nobody even talks about that, we are not permitted to talk about it.

If one asks the counsel, he has almost been given instructions not to tell. That is what I get from him today, because I am not at all satisfied with his answers.

We have been talking about and reading about delay—delay—delay. Who is delaying? Let us put the cards right on the table. It is going to take weeks to decide these issues, make no mistake about it.

On January 7 of this year I suggested that we meet every day and wind these things up. I am suggesting it now. But we are not going to meet. The Members know we are not going to meet. The Chairman makes rules; nobody ever votes on the rules. I have never been a member of such an undemocratic process in my life. I say this in all deference to the chairman.

There are 14 grounds that have been filed. They have 100,000 pages of evidence; they have got this; they have got that. They have everything except anything to present to the committee that is supposed to be looking into the inquiry. I suggested: Let us see what you have. Either put up or shut up. That is what the public wants to see. Let us start with the one area where we cannot agree and in which impeachment lies, if they have the evidence. But no one has answered that question either.

I should like to say at this moment I do not think this is being done intentionally; I hope it is not; but if it continues, no normal person can believe otherwise. I am suggesting that the committee have business meetings 5 days a week and get this show on the road.

Mr. McCLORY. I thank the gentleman for his contribution and his expression of very strong feelings.

I think it is important that we indicate clearly that members of the committee have these very strong views and that we provide this opportunity to express them.

I commend the gentleman from New Jersey (Mr. SANDMAN) on a very forceful and constructive statement.

Mr. EDWARDS of California. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from California.

Mr. EDWARDS of California. I thank the gentleman for yielding.

I think my friend, the gentleman from New Jersey (Mr. SANDMAN) must not have been listening to the chairman of the committee when he announced very explicitly, confirmed by Mr. Doar, that right after the recess the suggested rules, prepared by both the minority and majority counsel, or all of the counsel—and Mr. Doar and Mr. Jenner are in charge—would include consideration of all of the things that Mr. SANDMAN was discussing, and that these rules would be adopted, amended, or rejected, but they would be considered before the presentment is made. Certainly no one on that side of the aisle has exclusive claim for the feelings expressed that the President is entitled to counsel. He is entitled to all of the due process in the world. Members on this side of the aisle are just as interested as Members on that side of the aisle in having the President get a square deal.

Over here there are many of us who have fought for years, actually decades, for procedures by congressional committees where the respondent, or the person who is being talked about by a witness, is entitled to representation. This is one of our old arguments against the House Un-American Activities Committee, because that committee had never provided the people being testified against with counsel.

I am going to recommend support by some of our friends on the other side of the aisle for our position over here that congressional committees should be fair. We certainly are not going to finish this impeachment one way or the other and go back home and go back to the history books and say that other Americans than the President would have been treated better by the House Committee on the Judiciary. We are going to give the President every possible benefit.

Mr. McCLORY. I thank the gentleman.

I commend the gentleman on his expression. I interpret the gentleman's position as being one which would accord to the President full representation by counsel at any evidentiary hearings that we have of our committee. I think that the press release and the statement to which the gentleman from New Jersey (Mr. SANDMAN) had reference was the paragraph in the chairman's (Mr. RODINO's) press release which said:

> The committee will also have to adopt rules to govern its procedures during the evidentiary hearings. I would hope that those could be considered during the second week after the Easter recess. I am concerned about two things: First, the question of confidentiality during the evidentiary hearings; second, my conviction that we should not be bound to inflexible procedures until we have had the benefit of the initial evidentiary presentation by the staff.

In other words, I think what the chair-

man (Mr. RODINO) seems to have in mind when he talks about flexible rules of procedure is a practice of adopting various rules as we go along. I feel that is completely unacceptable. I think we should have the rules of procedure established at the outset including the right of the President to have counsel present, and what limitations or restrictions on his rights and prerogatives would be imposed.

Every respondent in an impeachment inquiry since 1876 has had the right to be present in person or by counsel, and it seems just unthinkable that we would not accord full representative rights to the President of the United States in the course of this inquiry.

Mr. HOGAN. Mr. Speaker, will the gentleman yield?

Mr McCLORY. I yield to the gentleman from Maryland (Mr. HOGAN).

Mr. HOGAN. I thank the gentleman for yielding and I thank him for taking this time to shed some light on some of the factors that have been bothering so many of us.

I want to say to the gentleman from California that my understanding of what transpired this morning in our briefing session is similar to the understanding of the gentleman from New Jersey (Mr. SANDMAN), that is we are not going to adopt any rules until we have had the summary of evidence, and I think that is far too late.

Mr. McCLORY. If I may say, a summary of the evidence to be presented to the committee as I understand the plan involves a presentation by the staff to the committee of documentary or written evidence. The staff plans to do this on a day-after-day basis. So, we are talking about a prolonged process which is involved and not some kind of brief opening statement.

Mr. HOGAN. I agree with the gentleman.

As far as the President's counsel being present, as the gentleman in the well pointed out, all other inquiries over the past 100 years have accorded this privilege to the attorney for the respondent. I refer to the precedents in Hinds, in III, 2445, 2471, 2518, and in III, 2470, 2501, 2511, and 2516.

But aside from the fact that there is ample precedent for this being done, fairness dictates that this be the case.

The American people, I think, must be assured that regardless of what decision we on the House Judiciary Committee come to, we must have reached that conclusion objectively with all elements of fairness being accorded to the President.

There are some who will argue that the President's counsel should not be present because we are a grand jury. While I myself have used the analogy of the grand jury, we are not, strictly speaking, a grand jury. Some aspects of our responsibilities are similar to those of the grand jury but not all. For example, the grand jury is selected at random from the populace at large. We have been elected on a partisan basis from our respective congressional districts. The grand jury is obliged to keep its deliberations secret—although we all know instances in recent times where that has been violated. There is no such responsibility on us.

In many of our sessions, our briefing session today for example and many of our meetings have been public. Grand jury sessions are not. Furthermore, some of the prejudicial statements made in the past by some of our Members would, if made by grand juries, be grounds for disqualification.

We also have a responsibility on the Judiciary Committee as the impeachment inquiry to get information on both sides, inculpatory as well as exculpatory.

The grand jury has no such responsibility. It hears only the case from the prosecution.

So I think it is really erroneous for us to continue using the analogy of the grand jury as an excuse for denying the President's counsel the right to be present, the right to cross-examine, and the right to present evidence of his own.

With respect to some of the other matters mentioned, there is also precedent in the House precedents for the committee reporting back to the House on the progress of its investigation. I would hope that the gentleman from Ohio (Mr. HAYS) is quoted accurately in the press when he says he is going to demand some answers to some questions when we come back for additional money, which we most certainly will have to do. I think the committee should have to report what progress, if any, has been made thus far. Frankly, I personally have not seen a great deal of progress.

There are also precedents that the House is the arbiter of this question of whether or not the respondent's attorney should be present at the presentation of evidence.

So if the committee itself wants to skirt the question and say because we are a "grand jury," the President's counsel does not have that right, I suggest, in all fairness, we bring this question back to the House and let the House of Representatives itself resolve the question as to whether or not the President's counsel should be present.

I would like to discuss another point that both the gentleman from New Jersey and the gentleman in the well addressed themselves to, that is the question of delays. I have been saying in open and closed meetings ever since we have been meeting in November that we must resolve procedural matters as soon as possible before we ever get to the point of listening to the evidence.

For example, in the impeachment of President Andrew Johnson, the Committee on the Judiciary came to the floor with a general resolution of impeachment and then, when that was approved, a committee was appointed to draw up charges against the President.

Now, I assume we are not going to do that this time; but it is a question to which we have not yet addressed ourselves. We ought to resolve these procedural questions while we still have time before the evidence is being presented. We should decide whether or not hearings should be open or closed, whether or not the President's counsel should be present, what we do if our subpenas are ignored, and so forth.

I think it is extremely unfair for the chairman of the committee to publicly blame the President's counsel and the President for the delays in our inquiry.

This is certainly not the case. We have been dragging on with no meetings at which any substantial matters can be handled, and few briefings, and no presentation of any evidence whatsoever and yet he blames the President for the delay.

I say we should be meeting on a daily basis until all these matters are resolved.

Now, I would like to address myself to the question of the staff. Perhaps I have been harder on the staff than most. I know it is in vogue for everyone on the committee to throw bouquets at the staff. Frankly, I have been disappointed in the staff. We were told, as the gentleman will recall, that on March 15 we would have a memorandum on impeachment offenses. What we got was a very skimpy analysis, slanted against the President which included editorial comments and overlooked many of the impeachment precedents. It also included such statements to the effect that, "There are some who say that an impeachment of a judge should be treated differently than an impeachment of a President, but such is not the case." These are the words used in this so-called legal memorandum of impeachable offenses, the memorandum given to us by the staff. The Founding Fathers themselves made a distinction between the impeachment of a judge and the impeachment of a President. In the latter case, the Chief Justice of the Supreme Court is mandated as the presiding officer. This is not so in the case of the impeachment of a judge.

I was very disappointed that the memorandum of impeachable offense was so scant. Obviously, the one prepared by the President's counsel was slanted in his favor; but I did not expect the one produced by the staff of the committee to be slanted against the President.

The most objective one, in my opinion, is the one prepared by the Department of Justice, where they gave a balanced and comprehensive view of both. We in the minority were criticized for requesting a more detailed brief concentrating on criminality. It is certainly our right to have as much information as possible on this complex subject. I want to point out, however, that the President and his lawyer are absolutely wrong when they say we ought to define impeachable offenses before we ask them for any other material. I have publicly stated the President is wrong in not honoring our request. Anyone who makes a study of impeachable offenses, must come to the conclusion that what is an impeachable offense is a subjective decision for each Member to make for himself.

I do think the delays have been unconscionable and I do hope the committee will get on with this important historical constitutional responsibility.

Mr. McCLORY. I thank the gentleman from Maryland. The gentleman makes a very important contribution to our hearing and has expressed his very forceful views, which deserve immediate attention.

Mr. BUTLER. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I am happy to yield to the gentleman from Virginia (Mr. BUTLER).

Mr. BUTLER. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. Mr. Speaker, I yield to the gentleman from Virginia.

Mr. BUTLER. Mr. Speaker, I thank the gentleman for yielding to me. I want to commend him for having this special order and giving us an opportunity to express ourselves on the questions he raises. Of course, I am in support of the thrust of his comments today.

Mr. Speaker, I would appreciate it if the gentleman from Illinois would yield to the gentleman from California (Mr. EDWARDS) for a moment so that I may address a question to him.

Mr. McCLORY. Mr. Speaker, I yield to the gentleman from California (Mr. EDWARDS).

Mr. BUTLER. Mr. Speaker, it is my understanding from the gentleman's comments that he is in agreement with many on the outside, that the President should be represented by counsel in these proceedings. I wonder if the gentleman could speculate on how many people on his side of the aisle agree with him that the President of the United States should be represented by counsel?

Mr. EDWARDS of California. Mr. Speaker, I certainly have not polled them, but I am sure that there are quite a number, because for many years I have associated with them and know their ideas generally on due process and on representation before congressional committees.

I might add that I agree with the gentleman from Maryland (Mr. HOGAN), that this is only having a relationship to a grand jury proceeding. A grand jury proceeding is one where the members of the grand jury do not put on another hat after the indictment is returned and move over as prosecutors into the courtroom. The analogy of the grand jury is useful, but the analogy certainly is not exact.

Mr. BUTLER. Mr. Speaker, following up on my question, assuming for the moment that all of the Republicans have taken the partisan view that the President of the United States should be represented by counsel, would the gentleman say that on his side of the aisle there are a sufficient number to make a majority in favor of this proposal?

Mr. EDWARDS of California. Mr. Speaker, I would say that right from the beginning there would be a majority of the Democrats on our side who would take what I consider that very fair point of view. It certainly has nothing to do with partisanship, and it does not have anything to do with being a Republican or a Democrat. It seems to me it is the only right thing to do, and has been right from the beginning. I never really thought it was under argument.

Mr. BUTLER. Mr. Speaker, does the gentleman not agree with the gentleman from Illinois (Mr. McCLORY), that the effect of deferring the resolution of and voting on this question on the grounds that this question has not been resolved—quite obviously all the committee agreeing that the President ought to be represented by counsel—it is useless to waste any more time on that question? The staff should be instructed to prepare its rules of procedure accordingly, and we should get on with that particular item.

Mr. McCLORY. Exactly. I do not think the preparation of the rules procedure is that monumental a task. The thing that puzzles me is the desire, the apparent desire on the part of the staff to defer the presentation of proposed rules of procedure until some later time. The gentleman from Maryland (Mr. HOGAN) made a reference to the Andrew Johnson impeachment. That was chaotic, partly because the rules were made up as they went along. That is something this Congress and this committee certainly should not want to do. We want to handle this in a responsible, orderly, dignified, and proper way.

It seems to me that the first item of business for us is to adopt the procedure under which we are going to operate. I thank the gentleman from Virginia very much for his very helpful remarks and for the very important contribution he makes to the work of our committee.

Mr. DENNIS. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. Mr. Speaker, I yield to the gentleman from Indiana.

Mr. DENNIS. Mr. Speaker, the fact of the matter is that up to this point, the procedures adopted by our committee leave a great deal to be desired. I do not make that statement in any sense of political acrimony at all, but simply as a dispassionate criticism which I think is fully justified by the facts, and in the hope that we may see a very early improvement.

Mr. Speaker, we have been conducting affairs here in a rather unique way—I must admit a fairly effective way up to date—in that we have been having only briefing sessions of the committee where we meet as individuals in a group to be briefed by the staff, while the chairman completely avoids having any business meetings of the committee where any action can be taken on any of the important matters before us, some of which have been mentioned here this afternoon.

Now, a very good case in point is the matter of the participation of the President's counsel, which, as was very well brought out in the colloquy here a moment ago between the gentleman from Virginia and the distinguished gentleman from California, indicates there is a definite majority consensus in the committee on both sides on the general proposition that the President should be represented by counsel during our hearings. And yet we have never had a vote on that, and we cannot have a vote on that issue, because we do not meet.

Now, Mr. Speaker, it is difficult for me to understand, with all respect to everyone concerned, why we do not meet on a matter like that and get it resolved. What we are doing is contrariwise.

There are other issues. There is the matter of narrowing issues; there is the matter of the calling of witnesses, which is intimately bound up, of course, with the rights or privileges which may be extended to the President's counsel, because there is really not a great deal he can do except cross-examine live witnesses if they are called. All of these things are deferred by the simple expedient of not meeting to decide them.

Now, it would be legitimate to meet and decide them contrary to my point of view, if that is what we want to do. I am sure the matter of the participation of the President's counsel, as a matter of fact, is not a case where a majority vote would go contrary to my point of view. A majority of the committee agrees with me that the President's counsel should participate. I hope the fact that that is so obviously true is not the reason why we have never been given the chance to vote on it.

I am accustomed to taking my "lumps" on votes, even if I lose them. The committee should decide it.

What I really object to is sort of drifting into a decision, without the committee's ever making the decision, by reason of the chairman's not holding meetings. Therefore, the recommendations of the staff are sort of going uncontradicted, actually unadopted, but as a matter of fact, that is where we are likely to wind up.

Now, the staff has not had quite the same view on this matter of the President's counsel that the committee has.

Mr. HOGAN. Mr. Speaker, will the gentleman yield on that point? I would like to make an observation with respect to what the gentleman from Indiana (Mr. DENNIS) said.

Mr. McCLORY. I yield to the gentleman from Maryland.

Mr. HOGAN. Mr. Speaker, I think the gentleman from Indiana (Mr. DENNIS) is making an excellent point, one which needs to be emphasized.

Last week we all read in the media about a report regarding the President's taxes. This report was prepared by the staff of the Joint Committee on Internal Revenue Taxation, and yet all over America this was reported as a report from the Joint Committee on Internal Revenue Taxation itself.

It was not that. The members of the committee did not even see that report until the day it was made public. It was a staff report.

Mr. Speaker, I think there is an inherent danger in any operation around here when we allow the staff to run the show.

Mr. DENNIS. Mr. Speaker, if the gentleman from Illinois will yield further, here is a suggestion which our staff made on this matter of participation by counsel a week or so ago.

They talked about presenting evidentiary matters first, and then they said as follows:

It is suggested that the committee defer the adoption of these procedures—that is, the procedures concerning conduct of the hearings and the privileges to be extended to the President's counsel, and so on—until it has received and considered the initial presentation by the committee counsel respect-

ing the facts and the evidence. After the completion of this presentation of evidence, at that point a decision on participation by the President's counsel can be made.

However, that is not the logical way to do it, because we usually lay down the ground rules before we begin to take the testimony, so that we can be guided by the rules. Nor is it the way that the majority of the committee on both sides of the aisle wants to do it. But it is the way we are doing it, nevertheless, because we cannot meet and vote. We have never voted on this suggestion; there is no opportunity to vote it down.

Now, I am very gratified with the fact that the chairman said this morning we are going to have a business meeting this week on the subject of exercising subpena powers during the recess. Then he suggests another meeting after the recess when we begin to talk about narrowing the issues, which is certainly long overdue. Only the week after that, according to the distinguished chairman's suggestion, will we begin to take up these procedural matters, such as the rights of the President's counsel. However, by that time, and in accordance with the staff's suggestion—and I could not see that they changed it any this morning—by that time we will be underway on the presentation of evidence. If we get a vote on the matter of the President's counsel, which I assume we finally will, it will be after we have already begun to take testimony instead of before, which is when we should have it.

What I am afraid of is this: I am sure Mr. EDWARDS wants to extend the right to counsel, as he said, but I do not want to see a situation arise where under this proposed rule or proposed rules and under the inability we have to vote on them until they become a fact by drift, we are going to wind up, I am afraid, with this kind of a situation where we will not get decided the matter of participation by counsel and we will not have decided the very closely related and exceedingly important matter of the calling of live witnesses. I, for one, can think right now of six or eight witnesses who ought to be called, by all means, if we are going to have a complete investigation on the basis of which I or anyone else wants to be asked to vote on this important matter.

So we should decide now, because we will wind up with a situation otherwise where we will have a lot of ex-parte, documentary, staff-assembled, uncross-examined evidence put in front of us. We will have that and there will be great pressure to do something, to vote to get rid of this matter; and then they will say, "Well, you cannot call in oral testimony now, and you cannot go into the question at this late date as to whether to grant immunity to people who claimed the fifth amendment; you cannot delay this thing any longer." So we will be asked to vote on an incomplete, skeleton record. That is what I do not want to see happen and it is what should not happen and what would not happen if we had had our business meetings and voted promptly on the important things before us, which are the participation of counsel and the calling of witnesses for testimony. Then we would have a respectable investigation of the kind we ought to have.

If the committee voted down those propositions, which I do not believe they would, then at least the committee would have done it and that is the committee's privilege. That is the way we ought to go ahead with this investigation.

Mr. McCLORY. I thank the gentleman for his very forthright and very constructive statement.

I would like to point out that if we would follow the procedure of accepting all of the documentary evidence at one stage and going on for 4 or 5 weeks in that way and then accept the suggestion of a Republican member of the committee that we should then hear from some live witnesses, I am sure the criticism would be directed at our side, that we were trying to delay the proceeding.

Whatever we are going to do, we should make up our minds to do it and present the whole case to the committee and not, certainly, have two hearings on it, although that would be possible under the procedure which appears to be recommended by the staff.

I would like also to point out that by not having committee meetings we are permitting some misunderstandings, to develop. When I addressed a question this morning in the committee meeting to Mr. Doar, questioning the wisdom of a delay until after the presentation of the evidence for the adoption of rules of procedure, he indicated it was a misunderstanding or misinterpretation of language on my part and that he was not able to express himself as accurately as he had expected to and that perhaps I was misunderstanding.

Well, having a committee meeting would obviate that kind of a misunderstanding.

Mr. LATTA. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the distinguished gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Speaker, I want to thank the gentleman from Illinois for yielding to me, and to commend the gentleman for taking this time. I believe some of the points which have been made here this afternoon needed airing. I think the American people want to know what is going on in this committee, as its estimates do involve their President.

At the outset, Mr. Speaker, I want to commend the gentleman from New Jersey (Mr. RODINO), the chairman of the Committee on the Judiciary, for the fairness he displays in chairing his committee. I think he does a very good job under difficult circumstances. As the members know, I am a new member on the committee, and have been serving and am still serving on a much smaller committee, and it is remarkable to me how the chairman manages to parcel limited time among 37 members.

Mr. Speaker, I also want to commend the ranking Republican member on the committee, the gentleman from Michigan (Mr. ED HUTCHINSON). I know that he and the chairman have worked many hours together on this matter, and that they are in agreement on much of the procedures used and adopted to date.

I want to point out a couple of things that I feel as a newcomer on this committee need to come to the attention of the American people, and need reemphasizing so they do come out.

As I indicated this morning before the committee, I feel that members of the committee are being kept too much in the dark. I pick up the newspaper and read about the Committee on the Judiciary doing this, and the Committee on the Judiciary doing that, and I get to thinking well, that involves me, and yet I do not know anything about the activities referred to. I am not unlike other members of the committee. The staff is really doing the work of the committee and keeping the committee in the dark. What the papers are really talking about is the staff of the Committee on the Judiciary that is doing this, thus, and so, and if my life depended on it right now I could not name you more than four individuals on that staff.

So today there are some 36 or 37 lawyers on this staff doing the investigating and making important decisions who are nameless individuals as far as I am concerned as a Member of the Congress. Yet these are the people who are conducting the most important inquiry of our time. I think the American people honestly believe that the House Committee on the Judiciary, meaning the elected Members of the Congress, are conducting this inquiry, and this is just not true.

I think it is important to stress this, not only today, but in the future; unless we are brought in so that we know what is going on, we will never know. I was somewhat dumbfounded to learn after we first approached this subject of the cross-examination of witnesses by President's counsel and had an understanding that a decision was to be held in abeyance until the next committee meeting, that in fact ways were being attempted to circumvent the committee's wishes by going to affiants rather than give the opportunity to cross-examine when depositions are taken. The staff memorandum I have in my hand was addressed to all attorneys by one Joseph Woods clearly points the way for such action. It is dated March 22, 1974, and titled "Witness Procedure." This is after we discussed this matter in the Committee on the Judiciary.

It says that the following procedures are to be followed, in order to make our selection of witnesses and our conduct of interviews more productive. Who is "our?" Undoubtedly the staff.

It reads:

(1) As stated in my memorandum of March 20, no depositions will be taken until further notice.

This means that subpenas will not be issued to compel the attendance of witnesses, so as to correct the implication of the March 20 memorandum, it does not mean that testimony may not be taken under oath. Testimony may be recorded in affidavits or sworn statements, however, it may not be compelled.

Then it goes on with five more paragraphs to deal with the subject.

I want to say, just speaking for one member of the committee, I do not believe the committee should permit such orders to stand when they are not in accord with the wishes of the committee.

Every lawyer knows that oftentimes your own witness in case sometimes does not tell you all that he knows about the facts. But let that person be subjected to a scorching cross-examination, and the facts do come out. Facts are what the American people want. They do not want a half truth; they want the whole truth and nothing but the truth. This is the only way they can get it.

I do not think that it bespeaks very well of this House and this committee to stand in the way of getting the truth, lest the committee be charged with a coverup. Certainly this is the last thing this committee wants. The idea of waiting until the staff has assembled all of the information they want to assemble, same not being subjected to cross-examination, and put into some sort of a statement of fact is reported to me. We are supposed to make a reasoned judgment in this matter. Will anybody tell me how in the name of sense one can make such a judgment based on what somebody else has put together that he thinks we ought to know? This is not the type of inquiry the American people want. This is not the type of inquiry this House of Representatives thought they were getting when they voted $1 million for same.

We are going to have to answer to this House when the committee comes back here asking for more money. They are going to want to know how this money has been spent.

I think that we need to shed some light on what is going on. The American people are demanding it. We ought to give it to them.

Mr. McCLORY. I thank the gentleman from Ohio.

I should just like to explain that, while the gentleman from Ohio is a newer member of the House Committee on the Judiciary, he is a veteran Member of this House and a very important new member of the committee. I think that his statement is extremely important. Particularly it is important for us to recall that cross-examination is one of the best means of arriving at the truth, which is a principle the gentleman has just brought out.

GENERAL LEAVE

Mr. McCLORY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject of this special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. McCLORY. Mr. Speaker, I yield to the gentleman from New York (Mr. FISH).

Mr. FISH. Mr. Speaker, I should like to compliment the gentleman from Illinois. I think this has been a very constructive special order In the few minutes remaining I should just like to recapitulate some of the points that I think have emerged.

It seems to me that we have shed new light on the whole question of the importance of the presence of Mr. St. Clair at the initial presentation of the case to the committee. We have welcomed news of the bipartisan support for that. Second, the whole question of delaying the calling of live witnesses I think has been raised here in sharp focus. We cannot wait until we are halfway through the presentation of a case and then ask the witnesses, which may take another month before they can appear, to appear. It must be very apparent that there are certain individuals we want as live witnesses. I cannot imagine why this matter cannot be taken up, and the committee chairman and the staff informed of the obvious witnesses that we will want to have before us at the time we start the presentation.

I would also hope that we, as the minority stated very clearly, would want everything else put aside during the presentation of this case. It is going to take 6 weeks. I am interested in knowing whether that means five mornings a week. And if not, let us hopefully, by working five mornings a week on the presentation, shorten this time so that we will get the decision at an early date.

Certainly there has been an inference that delay in adoption of the rules of procedure really is to delay our meeting the issue of Mr. St. Clair, and I hope we have made a record so that this will not be the case.

It seems to me many Members have talked about the need for business meetings. I think this should be emphasized more and more. Scheduling one business meeting to handle the issues when we have been talking about actually 2-hour sessions certainly is not enough when we are talking about something as important as this. There should be several meetings scheduled to take place as soon as we return.

I thank the gentleman for taking this time on this matter.

Mr. McCLORY. I thank the gentleman from New York for his remarks. The gentleman has been a principal force in motivating us to set forth the views of the Republican members of the committee when it was deemed necessary to set forth that position and so that the public and the chairman and the other members of the committee and of the House would know exactly how we feel.

Mr. Speaker, I have no further request for time.

Mr. SMITH of New York. Mr. Speaker, I commend the gentleman from Illinois (Mr. McCLORY) for taking this special order to discuss the Impeachment Inquiry.

There is no doubt whatever that the House Judiciary Committee should meet before the Easter recess to transact necessary committee business related to Impeachment Inquiry. Before the committee proceeds with the receipt of documentary evidence, we really should adopt rules of procedure to establish the rights of the counsel for the President to notice of hearings, the right to be present and participate at hearings and the taking of depositions, whether or not he is to be allowed the privilege of cross-examination and any other privilege that may be accorded him.

I am not sure whether we can at this time adopt a tentative daily and overall timetable for hearings, but I think the Committee should at least discuss the possibility.

I hope Chairman RODINO will call such a meeting or meetings, as the case may be, before the Congress adjourns for the Easter recess. I think the inquiry demands it and I think the people of this country deserve it.

Mr. RHODES. Mr. Speaker, the House Judiciary Committee has undertaken a grave and momentous consideration—impeachment of the President. To date the committee has handled this difficult task with a commendable measure of restraint. As time goes on, these proceedings will necessarily absorb more of the time of other Members of the House due to the huge volume of mail being generated, and in their keeping informed on developments.

The Judiciary Committee has assembled a large staff. They have now, for some time, been pursuing numerous areas of investigation. I believe that the committee now should expedite organizing its own internal structure—establish rules and procedures for the presentation of evidence, and develop an overall timetable for future proceedings. The committee should narrow down its considerations and make a determination of what kind of proof it is to consider, how evidence is to be presented, and the rights of Members regarding such evidence.

I realize fully the serious implications that the committee's investigations involve. I appreciate the value of due deliberation. I also recognize that there are many issues before this Congress that should receive our undivided attention. As in the past, I again urge the committee to move decisively and steadily toward an early resolution of the impeachment question. One important step would be an early meeting devoted to establishment of procedures and rules, as well as a general approach to the committee's future considerations.

GENERAL LEAVE

Mr. McCLORY. Mr. Speaker, I ask unanimous consent that all Members, may have 5 legislative days in which to revise and extend their remarks on the subject of my special order.

The SPEAKER pro tempore (Mr. MAZZOLI). Is there objection to the request of the gentleman from Illinois?

There was no objection.

LOW INCOME HOUSING ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. MITCHELL), is recognized for 30 minutes.

Mr. MITCHELL of Maryland. Mr. Speaker, I sat through those deliberations and I was quite interested to hear the remarks of the gentlemen on the pre-

ceeding special order. I understand the discussion will be continued and it is not my purpose to breakup the discussion of that matter at all but there are other matters which weigh heavily on my constituents and I wish to talk on some other matters on my special order. I will be talking about the matter of public housing, low income housing.

Mr. Speaker, a quarter of a century ago, this Congress committed itself to the goal of "a decent home and a suitable living environment for every American family." But, for millions of low income American families, that goal has been nothing but a hollow joke. Despite a series of housing bills, they have neither decent homes nor a suitable living environment. It is time that we made good on the promise.

Let us consider some basic facts. According to the Department of Housing and Urban Development's own estimates:

There are 1.5 million households with incomes below $1,000 annually who are eligible for housing subsidies, but for whom there is no subsidized housing available.

There are 3.1 million households with incomes between $1,000 and $2,000 who are eligible for housing subsidies, but for whom there is no subsidized housing available.

There are 3.6 million households with incomes between $2,000 and $3,000 who are eligible for housing subsidies, but for whom there is no subsidized housing available.

There are 3.2 million households with incomes between $3,000 and $4,000 who are eligible for housing subsidies, but for whom there is no subsidized housing available.

There are 3.1 million households with incomes between $4,000 and $5,000 who are eligible for subsidies, but for whom there is no subsidized housing available.

Almost all of these families live in housing which is either unsafe, unsanitary, or which costs so much that they cannot meet other basic needs. For example, in 1970 the median rent paid by families with incomes below $2,000 was $79, or at least 47 percent of their incomes, leaving no more than $86 for all other needs. The average renter family, in contrast, had an income of $6300 and paid rent of $108, or 20 percent of income. This left more than $400 monthly for all other needs.

Yet, in 1972, two-thirds of all new housing production was priced to serve families with incomes above $10,000. Only 3 percent served families with incomes below $4,000. If these rates continue, it will only take 14 years to build new houses for the 25 million families with incomes above $10,000, but it will take 179 years to provide new housing for the 15 million families with incomes below $4,000.

Even worse than this sorry statistic is the fact that housing subsidies in this country by and large go to those who need them least. This is because the subsidies which homeowners receive in the form of tax deductions amount to four times as much as all other housing subsidies combined. And these tax subsidies are rising far more rapidly than the housing subsidies for low- and moderate-income families which have received so much discussion and comment in recent months. Officials of the Department of Housing and Urban Development have, for example, complained of the "open-ended" authorization of subsidies under the Brooke amendment, to make up the difference between the amounts very low-income families can afford and what is needed to operate public housing in a viable way. But I have heard no one complain of the "open ended" nature of tax subsidies, which have risen at an estimated rate of $1 billion annually, as mortgage interest rates and local property taxes have increased.

Our housing subsidy structure is topsy-turvy. In 1970, for example:

Households with incomes below $3,000 received an average housing subsidy of $56 per year—total subsidies of $0.6 billion for 11 million households.

Households with incomes between $3,000 and $6,000 received an average housing subsidy of $102—total subsidies of $1.1 billion for 11 million households.

Households with between $6,000 and $10,000 received an average housing subsidy of $123—total subsidies of $1.9 million for 16 million households.

Households with incomes above $10,000 received an average subsidy of $179—total subsidies of $4.5 billion for 25 million households.

The only program which has been developed to meet the housing needs of families with incomes below $5,000 in a major way has been low rent public housing. Yet this program is now endangered. It needs to be revived, improved, and expanded, not shelved or perverted into a disguised approach to housing allowances.

Public housing, begun in 1937, has provided more than 1 million families with decent shelter. The Housing Act of 1949, which set our national housing goal set public housing authorizations at an estimated 10 percent of housing production. However, determined opposition from real estate interests and others resulted in a series of riders to appropriation bills which prevented the intent of the law from being achieved. Public housing starts were at a level of 1–2 percent of total starts.

Worse yet, the inflexibility of the program at the time and the difficulty of finding sites led to construction of many high-rise, monster, public housing projects. Too easily forgotten is that these projects were built under duress, as the only alternative possible, and that the vast majority of public housing is in small projects, which have been an asset to their communities as well as providing decent shelter for their occupants.

More important, our years of experience in public housing have provided many opportunities for flexibility and for new approaches which have made the program increasingly responsive to community needs. High-rise public housing is now outlawed, except for the elderly where low-rise housing is impossible to build. Public housing has provided opportunities for home ownership, for rehabilitation, for purchase, or rent of existing housing.

On Thursday, April 4, 1974, I introduced a bill to improve and expand the public housing program, and I intend to press as vigorously as I can for its provisions as we move toward adopting housing legislation. The major features of the bill are supported by an impressive array of organizations concerned with decent housing for everyone, including the National Tenants Organization, the Interreligious Coalition for Housing—representing Protestant, Catholic, and Jewish denominations—Americans for Democratic Action, the National Rural Housing Coalition, and a number of public interest groups.

Basically, the bill would:

First. Provide for continuation and expansion of the public housing program, authorizing roughly 750,000 additional units during 1974 and 1975. While this is still far from the level needed to meet low-income housing needs, it represents a substantial increase in production over previous years.

Second. It would provide for operating subsidies in order to permit public housing to continue to serve very poor people with adequate shelter.

Third. It would require that public housing serve families at the very bottom of the income scale. At least 20 percent of those admitted would have incomes below 20 percent of the median income of the area, and at least half would have to have incomes below 50 percent of the median. However, the bill would remove the present income limits for continued occupancy, so that people in public housing could remain there.

Fourth. It would prohibit discrimination against any otherwise eligible applicant on the basis of race, religion, national origin, age, sex, marital status, or amount or source of income.

Fifth. It would eliminate the requirements for special local public approval which have enabled many communities to prevent development of housing badly needed by their residents. As a corollary, it would eliminate the requirement for exemption of public housing from local real property taxes, so that conventional public housing would pay full taxes.

Sixth. It would continue the present program of leased public housing in private accommodations, but would strengthen tenants rights under this program and provide for greater public control.

Seventh. It would continue the present prohibition against high rise public housing for families with children.

Eighth. It would continue the present policy of encouraging tenant participation on the boards of local public housing agencies.

Ninth. Finally, it would provide that, in areas where there is no public housing agency or an existing public housing agency is unwilling or unable to function, a local nonprofit housing corporation could receive the public housing subsidies to enable it to provide housing for low-income families. In this connection I would point out that at least half

the Nation's counties have no public housing agencies.

I will include a section-by-section summary that I have just referred to at a later point in the RECORD.

CITIZEN'S RIGHT TO KNOW AND RIGHT TO PRIVACY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. STEELMAN) is recognized for 5 minutes.

Mr. STEELMAN. Mr. Speaker, I am introducing today seven bills designed to guarantee the citizen's right to know, and protect his right to privacy.

Nothing so diminishes democracy as secrecy, and nothing so derides our constitutional democracy as invading the right to privacy.

One of the most important points of distinction between a democracy and totalitarian regimes is in their respective attitudes regarding the openness of governmental operations.

It is very important that as we approach our Bicentennial, we reaffirm our committment to openness and accessibility throughout government. We must take the lead to insure that the right to know is a right not only for the few in the seats of power in this country, but for Congress—for the press—and for every person.

Congress deserves the criticism it has received for failing to take decisive action. In 1966 when the Freedom of Information Act became law, we were hopeful that the ominous growth of sanctioned secrecy would be stopped. However, our hopes are still hopes and secrecy is growing.

It is a painful fact that the Watergate scandal grew and flourished in an unhealthy atmosphere of secrecy. The American University has brought this point home to us in a revealing study, just released, which concluded that not only has the Federal Government failed to live up to its claim of openness, but it has actually moved in the opposite direction.

Our experience with the Freedom of Information Act has shown us the loopholes that need to be closed, the additions that need to be made, and the problems that have been left untouched by the original legislation.

John C. Sawhill, Deputy Administrator of the Federal Energy Office, said recently that because "the Freedom of Information Act doesn't work, has too many exemptions and allows too much delay," their agency is instituting "operating regulations that go far beyond the requirements of the law." This is laudable, but we as a Congress cannot rely on this type of agency initiative.

This is why I am today introducing five major bills that will amend the Freedom of Information Act:

I. TIME LIMIT ON ANSWERS

One of the major problems with the operation of the Freedom of Information Act is the time that it takes to answer a request for information. There have been too many instances where the agency involved has used the language of the bill to stall or neglectfully delay. My first bill will end this by requiring an agency to produce the information requested within 15 days, about 2 working weeks, or give a detailed explanation of the reason that it is withholding the information pursuant to the Freedom of Information Act.

II. TO ENCOURAGE COURT ACTION, WHERE NECESSARY

During the period from July 4, 1967, to July 4, 1971, there were 2,195 recorded refusals to requests for access to public records. Of those 2,195 refusals, only 99 were taken to the courts. When we look for reasons as to why only 99 people chose to go to court, part of the answer lies in the staggering cost of waging a legal battle against a well equipped, talented, and vastly experienced battery of Government lawyers. To make it economically feasible and to encourage citizens to exercise this most basic right to know, my second bill will award court costs and reasonable attorneys fees to a succesful complainant.

III. WILL LIMIT "OVERCLASSIFICATION"

Normally when any document contains any reference, sentence or phrase deemed "secret" by an agency, the whole document is classified and any derivative documents which come from or refer to the original document are withheld under the shield of the Freedom of Information Act.

This was not the intent of Congress in enacting freedom of information legislation, nor have subsequent court decisions condoned it, but the fact is that it still goes on. I therefore am introducing a third bill to amend the Freedom of Information Act to require agencies to give out all of the information requested with such suitable deletions as may be necessary, and not as has been the case, to withhold all the information. This is really another name for overclassification; we all talk about, criticize and complain about it—now we have a chance to help bring it to an end.

IV. EXPAND THE JUDICIARY ROLE

I would like to talk about the most serious problem that has developed in the administration of the Freedom of Information Act—and that is the unjustified classification that has gone on to hide either inefficiency, ineptitude, embarassment, malfeasance, and, as has been the case, criminal acts.

The judiciary has interpreted the act as limiting courts to merely determining whether the document sought by a plaintiff was classified by the agency pursuant to executive order. The court does not determine, review and assess the right and wrong of the classification itself. Justice Stewart, in a concurring opinion in *Environmental Protection Agency* v. *Mink*, (410 U.S. 73) warned that there has been "built into the Freedom of Information Act an exemption that provides no means to question an Executive decision to stamp a document "secret" however cynical, myopic, or even corrupt that decision might have been."

This kind of thing will be ended by my fourth bill that will allow the courts de novo and incamera review of information withheld under the exemptions found in the act to determine the propriety of the classification, and to order its release if not properly classified.

V. SPECIFY EXECUTIVE CRITERIA FOR CLASSIFICATION

My fifth bill will force the executive to establish criteria whereunder it may withhold information to be related to foreign policy, and the bill will also begin to set some long-needed limits on what may be withheld in the name of national defense. This will give the courts a guide in determining what is and what is not properly classified, and it will also seek to put some reason and justification into what is being classified and withheld from the public.

RETURN THE RIGHT OF PRIVACY

I am also introducing today two long-overdue bills that will put effective controls on computer banks and strictly limit the use of the Social Security number to its intended and legally prescribed uses.

VI. LIMIT USE OF SOCIAL SECURITY NUMBER

The use of the social security number as a "standard, universal identifier" is becoming more an everyday fact of life. The July, 1973 report of the Secretary of HEW's Advisory Committee an Automated Personal Data Systems cautioned that there is a "drift toward using the social security number as a de facto national identification number." This could lead to arbitrary and unjustified link-ups and dissemination of personal information about an individual that, in the report's words, "may frustrate and annoy individuals, but may also threaten a denial of status and benefits without due process of law."

The first of these "privacy" bills will end the use of the social security number as a student identification number, a drivers license number, a credit card number, and myraid other uses. The bill will insure that the social security number is used only as required by Federal law or uses relating to the purposes of social security.

VII. CONTROLS ON COMPUTER BANKS

My last bill is designed to place strict controls on the contents and uses of personal information compiled by computer data banks. It will limit and put safeguards on who can use and have access to the information. But most of all, it will require the organization storing and using the information to publish the fact that it is doing so, tell people how they can be informed if they are the subject of data in the system, how they can gain access to such data, and how they can contest the accuracy of the data. If the data is wrong, it must be removed.

I am sure we all know of instances where a person was turned down for credit because of a "bad credit rating" supplied by a computer service. What did this rating consist of and how did they get their information? This is a question I have asked, along with many other worried citizens. This bill will, at last, give us the answers and the tools we need to find out what is being said about us, to make sure it is accurate, and to give us a say in who has access to it.

Mr. Speaker, these pieces of legislation will serve the best interests of the American people and protect their inherent and unalterable right to privacy and their right to know.

THE JUDICIARY COMMITTEE AND IMPEACHMENT PROCEDURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. HOGAN) is recognized for 60 minutes.

Mr. HOGAN. Mr. Speaker, I would like to continue the dialog we had with respect to the impeachment inquiry. I would like to first amplify some of the things said by the gentleman from Ohio (Mr. LATTA). I do not want the importance of the distinction between the deposition and the affidavit to go unnoticed.

Why would the staff prefer an affidavit over a deposition, which is obviously a superior form of evidence? I can see only one reason: to deny the President's counsel the opportunity to cross-examine, which he should have the opportunity to do, during deposition. If there is another explanation, I would like to know what it is.

The gentleman from Ohio (Mr. LATTA) also alluded to how important cross-examination is. Every attorney in this House is well aware of the truth of that statement.

While some facts in this impeachment inquiry may not be subject to dispute, obviously some of them are subject to dispute.

If we look at the so-called Watergate Committee's hearings in the other body, we know that there were contradictory statements made by witnesses before that committee.

We of of the Judiciary Committee certainly have a responsibility to try to determine who is telling the truth and who is not.

As to these allegations, a crucial task will be to resolve as best we can the conflicting testimony or other evidence relating to these events that took place, as long as 2 years ago.

It is in this sort of factfinding process in which cross examination, properly directed, can be so vital. There is no better tool in the whole legal system, as far as I am concerned, for dissecting a witness' statement, for finding hidden contradictions, for cutting through ambiguities or generations to find out actually what was said or actually what happened.

Therefore, I certainly think that it is important that the President's counsel be present at our evidentiary hearings and be given an opportunity to cross-examine our witnesses.

With further response to the criticism of the impeachment inquiry staff, I would like to expand a bit on what has been said.

There has been some criticism of the majority Members for requesting minority memoranda relating to the things which the general impeachment staff was preparing. This was done because we felt that the majority or general staff was coming up with biased prejudicial, and sketchy material. I allude particularly to the memorandum on impeachable offenses and the memorandum on the rights of the Presidents' lawyer to be present at our hearings.

Mr. Speaker, when the gentleman from Illinois (Mr. MCCLORY) yielded to me earlier, I made the point that the memorandum on impeachable offenses was slanted overwhelmingly against the President. I would like also to allude to the so-called factual report which we got on March 1.

Mr. Speaker, aside from the fact that most of us thought that this would be a summation of the evidence on which we could being voting, it turned out to be a mere outline of the areas under investigation.

There were over 50 of these areas. However, included in this memorandum was the statement—and this is almost a direct quote—"Within the next few weeks senior members of the staff will decide which areas of the investigation to pursue."

Mr. Speaker, I repeat, it did not say that the senior members of the staff were going to "recommend" the areas of investigation to be continued. It said they were going to "decide."

I submit that this is not a function of the staff. This is a function of the committee, as the gentleman from Ohio (Mr. LATTA) pointed out so well.

Mr. Speaker, I think there is a real serious danger in allowing the staff, rather than the members of the committee itself who have the constitutional responsibility in this matter, to make these important decisions. I might say that 5 weeks later no decision on this narrowing of the gage of the investigation has yet been made.

I alluded during the remarks of the gentleman from Indiana (Mr. DENNIS) to the recent report issued by the staff of the Joint Committee on Taxation. Everyone assumes, the general public most certainly assumes, that that was a report from the committee. The media reported it that way. This was not the case. It was a report from the staff, not from the committee. Members of the committee did not even see it until it was made public.

Similarly, anyone who writes to the House Committee on the Judiciary and asks for material on the impeachment matter will receive a printed report on what an impeachable offense is. This material was not approved by the committee members, but was prepared exclusively by the staff. Anyone who reads this memorandum, together with the memorandum from the President, together with the memorandum from the Department of Justice, together with the various books and articles that have been published on this matter of an impeachable offense, can only come to one conclusion: that that is a biased report slanted against the President.

Nonetheless, it is printed as if it were the official committee report with the imprimatur of all the rest of us on the committee because our names appear on the flyleaf, even though we did not approve it, even though we had no opportunity to present minority views or to in any way disagree in the published memorandum of the staff's perception of what constitutes an impeachable offense.

Now I would like to address myself to this question which has come up very frequently in our committee about the matter of partisanship.

It seems to me when gentlemen on the other side of the aisle say certain things it is "statesmanship," but when gentlemen on our side of the aisle say the same kinds of things it is "partisanship." For example, when Republicans do certain things during a campaign they are called "dirty tricks," but when Democrats do the same things they are called "pranks." It is the same thing in both cases but it is a matter of semantics.

Mr. Speaker, I ask what is it when the majority leader of the other body (Mr. MANSFIELD) says that the President will be impeached and that the votes are here in the House to impeach the President or when the chairman of the House Committee on Ways and Means, the gentleman from Arkansas (Mr. MILLS) says the President will be impeached or that the trend is moving toward impeachment?

How do they know this? I do not know this. Presumably no one on the House Committee on the Judiciary knows this, because we have not yet begun hearing any evidence. The American people do not know that we have not yet begun hearing the first word or shred of evidence in this matter of impeachment. They think we are almost finished, but we have not even begun. Yet the majority leader of the other body and the distinguished chairman of the Committee on Ways and Means have already predicted the outcome. If they are not making such predictions on the basis of the evidence, then obviously they are doing it on the basis of partisanship.

So let us call it what it really is. As far as some members of the committee themselves are concerned, we know what their long-standing, partisan prejudice against the President has been. We cannot expect a tree that has spent its entire life as a spruce to at this point in time begin sprouting oak leaves. So when Republicans are accused of partisanship, let us see the pots that are calling the kettles black.

All I suggest is that we look at some of the statements made by many Members on the other side of the aisle. If that is not partisanship, then Webster and I do not know what the word means.

One member of the Judiciary was widely reported in the press as wearing a pin on his lapel which said, "Impeach Nixon." He does not wear it any more because everyone has come to the conclusion that even though we might not actually be fair, at least we must give the appearance that we will be fair. It is distressing. When we talk about partisanship, we ought to recognize that it appears on both sides of the aisle.

Mr. McCLORY. Will the gentleman yield.

Mr. HOGAN. I yield to the gentleman from Illinois.

Mr. McCLORY. I thank the gentleman for yielding.

I wish to commend him on his remarks and for bringing to the attention of the House and the American people the dilemma which we find ourselves in at the present time, particularly because of the failure to have committee meetings at which these important decisions which bear on this important inquiry must be made. It is my hope that the message will get through today and it will be respected for what it is intended to be; namely, a desire to search for impartiality, objectivity, and principally fairness insofar as the conduct of this official inquiry is concerned.

The gentleman's contribution and that of the others here, it seems to me, should back up the desire of the Republican members as well as all members of the committee or a vast majority of them, I believe, to do a responsible and constitutional and objectve job.

I thank the gentleman very much.

Mr. HOGAN. I thank the gentleman for his observations.

I certainly concur with him that the committee should proceed as expeditiously as possible, even to meeting at 8 or 9 o'clock in the morning rather than at 10:30 a.m. and meeting every day in official meetings rather than impotent briefings at which no action can be taken. We need to resolve the procedural question at once and begin assessing of the evidence as quickly as possible so we can get this matter concluded as soon as possible in conformity with fairness and thoroughness.

SENATOR THOMAS McINTYRE: ON THE GROWING TYRANNY OF GOVERNMENT PAPERWORK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. YATRON) is recognized for 5 minutes.

Mr. YATRON. Mr. Speaker, as many of my colleagues are aware, I have recently sponsored a measure aimed at alleviating or reducing the Federal paperwork burden imposed on American small businessmen. The "Federal Paperwork Burden Relief Act" very simply directs the General Accounting Office to conduct a study into the nature and extent of the Federal reporting requirements, with its findings and recommendations to be reported to the Congress for appropriate action. The bill has been cosponsored by 162 of my House colleagues, is receiving tremendous press and news coverage throughout the country, and is receiving broad support from many organizations and segments.

My own current involvement in the paperwork burden problem was prompted, very simply, by an awareness of the situation and a sincere concern and interest in perhaps spurring interest here in the House. Unfortunately, this body has not involved itself in the paperwork problem. I am hopeful that if my paperwork bill, H.R. 12181, at least results in hearings and a more keen awareness and recognition of the situation, a meaningful achievement in progress will have come about.

There is one in the Congress who has, for a number of years, devoted himself to a sincere and dedicated effort to deal with the paperwork situation—Senator THOMAS McINTYRE of New Hampshire. The Senator has developed the broad knowledge we now have on the problem and he has led the effort for reduction of the paperwork burden. Senator McINTYRE's involvement in spearheading the issue has contributed greatly to the public awareness and congressional recognition of the matter.

I noted with much interest the article which the Senator authored, appearing in the April edition of Reader's Digest, entitled "The Growing Tyranny of Government Paperwork." These comments are forceful, enlightening and underscore the Senator's vast knowledge of the problem. I heartily commend his comments to the attention of my congressional colleagues and ask that they appear below.

Mr. Speaker, I am pleased to associate myself with a meaningful effort to seek relief for the American small businessman, by seeking a coordination, revision, and lessening of the Federal paperwork burden. Such an effort, if realized, will be an achievement of progress in this body.

THE GROWING TYRANNY OF GOVERNMENT PAPERWORK

(Citizens everywhere—and especially small businessmen—are being buried under an avalanche of often unnecessary federal forms. Here is what we can do about it.)

(By Senator THOMAS McINTYRE)

In Franklin County, North Carolina, the owner of a small grocery store-service station picks up his mail and snorts in disgust: "More damn forms for Uncle Sam!" By the end of April, he and his wife will have had to fill out 39 government reports since the first of the year—more than two a week. They include, of course, the federal income-tax return (complete with schedules A, C, F, and SE).

But there are dozens of others. For the Department of Agriculture, a list of prices charged farmers for supplies and services. For the Census Bureau, a detailed breakdown of cash and credit sales. For the Labor Department, an "Occupational Injuries and Illness Survey.' Putting in long hours compiling what he considers useless information, the young businessman is angry. "Who am I working for—me or some bureaucrat?"

Frustrated and embittered, he is not alone. Down the road, a farmer must fill out forms giving the Bureau of Labor Statistics the same data he has already provided to the Internal Revenue Service, Additionally, the Labor Department wants a "Report on Occupational Employment"; Agriculture has to know the price of everything from seed to tractor fuel; and the Census Bureau demands a detailed analysis of his fertilizer. "I'm supposed to be a farmer," he says wearily, "not some kind of professional record-keeper."

As these examples demonstrate, federal paperwork is mushrooming wildly. Each year, Washington generates more than two billion pieces of paper—ten different forms for every man, woman and child in the country and enough to fill Yankee Stadium from the playing field to the top of the stands 51 times. It costs taxpayers $18 billion to print, sort and file those two billion forms. And it costs businessmen another $18 billion to fill out and return them. What we are talking about then is $36 billion.

Over the past two years, the Senate Select Small Business Subcommittee, of which I am chairman, has held extensive hearings on what the Chicago Tribune calls "strangulation in triplicate." Witness after witness echoed the sentiments of Edwin Chertok, president of a Laconia, N.H., furniture store: "Small businessmen are being buried in a landslide of paperwork. For many, paper pollution will spell disaster and force them out of business."

The fact is that needless and duplicative paperwork is diverting small businessmen from their primary function: serving the public, providing jobs, making profits, paying taxes. Thus, a Tennessee contractor writes that his firm must spend "one fourth of its management effort producing mostly worthless documents to further inundate government files." The owners of a small New England restaurant that grossed $30,000 had to pay a certified public accountant $820 last year to fill out 52 federal forms and reports, work that only a professional could hope to complete accurately.

The owner of a small New Hampshire print shop told me: "It's just not worth it. Coming in every Saturday and Sunday to fill out forms for Washington. We're ready to chuck it." And when he does, six more people will be out of work. Subcommittee investigators have heard dozens of similar victims of government paperwork. Frustrated by red tape and petty regulations, an Iowa poultryman tells me that he shut down his $250,000-a-year operation. And the president of a small Midwest feeder airline laid off 80 of his 85 employes.

One does not have to be a professional economist to see that the federal paperwork burden is sapping the strength of our economy. Equally dismaying, however, is the wedge that red tape drives between government and its people.

Consider the case of Al Rock, general manager of a small 5000-watt radio station in Nashua, N.H. Federal Communications Commission regulations place on him the same burden they do on a multi-million-dollar radio outlet in New York or Los Angeles. Thus, when the station's license came up for renewal Rock and another full-time employe had to spend four months filling out a 45-pound application, and personally interviewing 100 people. Rock also had to provide a minute-by-minute analysis of a typical week's programming. "I don't object to reapplying for a license," he says. "But don't you think we could provide better service to the community if we weren't bogged down with trivia like this?" I cannot disagree.

There is hardly a federal department or agency that is not guilty of excessive paperwork demands. But the biggest offender is the Internal Revenue Service—with 13,745 different forms and form letters. The secretary-treasurer of an engineering company in Amesbury, Mass., was typical of dozens of witnesses before our subcommittee: "We find it impossible to keep up with ever-changing rules and regulations concerning taxes and filing requirements. We are by no means unique, but we have to make 70 filings or payments a year—some weekly, some quarterly, some annually."

Year after year, these reports increase. The IRS *Tax Guide for Small Business* takes 24 hours to read and digest. In 1970, it listed 30 forms that most businessmen had to fill out; this year that number reached 85, For

millions of businessmen these forms are gobbledygook. As the IRS itself admits, "A taxpayer will probably have to read at the level of the average college graduate to be able to comprehend all the tax instructions." Moreover, there is considerable evidence that not even IRS employees can fathom the instructions. A *Wall Street Journal* reporter, posing as a businessman, visited five different IRS officers to ask advice on his taxes Result: five widely divergent verdicts on what he owed.

We in Congress must share the blame for saddling the nation's small businessmen with onerous forms and reports, however. In our desire to improve the health, education and welfare of our fellow citizens, we pass high-sounding bill after high-sounding bill—from the Truth in Lending Act to the Clean Poultry Act to the Consumer Products Safety Act. Rarely do we pause to consider the ramifications of our legislation.

The Occupational Health and Safety Act, enacted with noble purpose, is an example. Few of us who passed that bill realized that we were giving federal bureaucrats the power to hand down sweeping, often unintelligible, regulations. Sample: "Exit is that portion of a means of egress which is separated from all all other spaces of the building or structure by construction or equipment as required in this subpart to provide a protected way of travel to the exit discharge." A Chicago businessman was forced to pay outside consultants $1800 to interpret such regulations, and even they were unsure. And throughout the country thousands of general contractors have learned they will have to spend $6000 for a complete set of government guidelines spelling out their responsibilities under the new act. The accumulated documents stacked one of top of another reach 17 feet high!

No one seriously suggests the elimination of all government paperwork. But we can reduce waste, duplication and complexity. Congress recognized this more than three decades ago. In 1942, it passed the Federal Reports Act, directing the Bureau of the Budget (now the Office of Management and Budget—OMB) to conduct a continuing program to coördinate and eliminate respective and outdated forms.

The Act has simply been ignored. If a contractor works for five different government agencies, he must submit to all five detailed reports demonstrating compliance with the Equal Employment Opportunity statute. That law has been on the books since 1964. But the government has yet to provide businessmen the first system for coordinating reports to these agencies.

After lengthy hearings, I have drafted legislation to deal with the paperwork crisis. One bill, S. 1812, would take away from OMB the job of administering the Federal Reports Act, and give it to the General Accounting Office, the Congressional watchdog that monitors government spending. It would also bring the now-exempt IRS under the Reports Act. This is necessary because the IRS has adamantly refused to take steps to cut down on paperwork. IRS Form 941—which employers must fill out quarterly to report their income tax and Social Security withholding—is a case in point. Another bill I have introduced, S. 2445, would replace these quarterly filings with an annual system, eliminating some 12 million unneeded form each year. The simple step would save business and government hundreds of millions of dollars a year.

A third bill, S. 200, would force Congress to take the lead in battling federal red tape. As one businessman told our subcommittee: "Congress should see to it that no bill is reported to the floor for action unless there has been full consideration in committee of the paperwork burden it would cause." S. 200 would do just that—and none too soon. By the OMB's own conservative estimate, the reporting burden that government imposes on its citizens increased 23 percent in one recent nine-month period. At that rate, paperwork will double in less than three years and quadruple in five.

Passage of these bills will do more than hack away at the mountains of government paper. It will, for the first time in three decades, ally Congress *with* the people and *against* the faceless bureaucrats who are making their lives miserable. It's about time.

ADDITIONAL VIEWS OF CONGRESSMAN HARRINGTON ON MILITARY ALERT RESOLUTION OF INQUIRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. HARRINGTON) is recognized for 5 minutes.

Mr. HARRINGTON. Mr. Speaker, tomorrow the House is scheduled to consider as its first order of business, House Resolution 1002, a privileged resolution of inquiry directing the Secretary of State to furnish the House certain information pertaining to the U.S. military alert called on October 24, 1973, at the height of the Mideast crisis.

Under the rules and practices of the House, a committee to which a resolution of inquiry is referred is given 7 legislative days after referral, excluding the first or last day, in which to act upon the resolution. Thus in the case of House Resolution 1002, which I introduced with Congressman STARK on March 25, the Foreign Affairs Committee was required to file a report on the resolution by no later than Thursday, April 4. To meet this deadline, the committee met in executive session on the morning of Wednesday, April 3, and after consideration of the Department of State response to the information requested by the resolution, decided to report House Resolution 1002 adversely, because a majority of the committee adjudged the Department's response to be adequate.

As the rules of the House require that the report on House Resolution 1002 be filed without the usual 3 days between committee action and filing, it has become necessary that I take this opportunity to comment on the resolution and the committee's action upon it, in lieu of offering additional views to the committee report on House Resolution 1002.

One hundred and sixty-six days have passed since October 24, when the military forces of the United States were ordered onto a global alert, known as "Defense Condition Status 3."

One hundred and sixty-five days have passed since October 24, when in a press conference the Secretary of State promised that "within a week" he would make public the facts surrounding the military alert—an alert which President Nixon on October 26 called "the most difficult crisis we have had since the Cuban confrontation of 1962."

Despite the promises of the Secretary of State, until April 4 of this year, when the State Department response to the resolution of inquiry was made available to the House Foreign Affairs Committee in "top secret" form, neither the public nor the Congress knew why the alert was ordered, or who ordered it, or how close the world came to a major conflict during the crisis. As a result of the State Department's action of April 4, the House Foreign Affairs Committee now knows something—although the information is not conclusive in my judgment—as to why and how a "DEFCON-3" was ordered during the night of October 24. The general public, and the majority of Members of the Congress, however, still have little more than faith to go on.

While perhaps satisfactory when measured against the amount of information previously available to the committee, it is nevertheless my view that the Department's response, when measured against the promises made the Congress and the general populace, is inadequate, and altogether typical of this administration's minimal efforts to inform the Congress and the people of the facts relevant to American foreign policy.

It is unfortunate that the Department of State has chosen not to make the facts publicly available. It is more unfortunate that, in an unclassified statement sent to the committee on April 4, Assistant Secretary of State Linwood Holton promised:

> . . . there is no change in our position that the full facts and full considerations leading to the President's decision should be made public at the appropriate time.

Is it not reasonable to ask, in light of the months that have passed since the first promise, when "the appropriate time" will arrive?

While the classification of the material supplied the Committee by the State Department prevents me from discussing the information contained therein, the few facts now available on the public record testify in themselves to the seriousness of the military alert. But many of the basic facts relevant to this serious international crisis remain obscured from the public eye, and many questions arising from contradictions or ambiguities in the public record remain unanswered.

We are told, for example, that the letter from Secretary General Brezhnev to President Nixon was "unusually tough." As only four members of the Foreign Affairs Committee are given access to this message by the terms of the State Department response to the committee, there is no way for the remaining members of the committee to judge the signi-

ficance of these messages for themselves. The public, of course, has absolutely no recourse other than to accept on faith the admonition that the message was, in the words of the State Department, "unusually tough."

We know that in response to the Brezhnev messages and Soviet military activities termed "ambiguous" by the Secretary of State on October 25 and the Secretary of Defense on October 26, the United States ordered a comprehensive alert of both strategic and conventional forces. Serious questions have been raised as to whether the American response was in excess of the Soviet provocation. While not passing on the validity of these arguments, there is no way, on the basis of the public record, to answer these questions without, again, recourse to faith—as the Secretary of State put it in his October 25 press conference—"that the senior officials of the American government are not playing with the lives of the American people." When the stakes are so high, one may ask, is "faith" enough?

According to Secretary of Defense Schlesinger on October 26, a comprehensive alerting of Soviet airborne units contributed to the decision to go on DEFCON-3. Curiously, the unclassified statement from the Department of State makes no reference to the alleged alerting of Soviet airborne units. Instead, the State Department version notes that "several key Soviet military units went into alert status" and that "Soviet naval units moved into position in the Mediterannean Sea." On the basis of only this information, it is quite reasonable to suggest that an undisguised nuclear alert of all American forces was out of keeping with its cause, and a very significant initiative—if not a provocation in its own right—by the United States.

I am not suggesting necessarily that the Government acted improperly in calling the alert. Nor is my purpose to suggest criticism of the role of the Secretary of State. My intent is to show that in the absence of publicly available facts, it is impossible to dismiss the widespread apprehension that remains about the motives and cause for the U.S. military alert. Such suspicion of our leaders and our policy seems to me to be undesirable.

It is argued that full public disclosure of the facts of the alert would harm Soviet-American relations. To some extent I can accept the need for a certain level of confidentiality as necessary for the conduct of international relations. Nonetheless, a "détente" that cannot stand the light of the public eye is suspect in my view, and in this case, where the Soviet Union knows what it said and did, and what the United States said and did, it seems obvious that only the Congress as a whole and the citizens of the United States do not know the vital facts of the alert. It seems to me that without any risk to our security that a great deal more information could be, and should be, made available to the public.

It is my view that Congress is entitled to far more comprehensive compliance with the promise of public disclosure offered by the Secretary of State on October 25, 1973. The fact is that until House Resolution 1002 was introduced, the legislative branch had been almost entirely in the dark as to one of the most momentous foreign policy actions taken by our country in the last decade.

In matters where the future existance of the nation is at stake, Congress must be given the facts to make timely and well-informed evaluations and decisions. I believe the need for a more substantive—and public—investigation and disclosure of the facts is a cause that is not peculiar to any one party, or any one side of the ideological spectrum. We have seen, in the infamy of the Gulf of Tonkin, what happens when an uninformed Congress allows itself to be led blindly by the Executive to the brink of war—if not beyond. We should not allow this to happen again. We should insure that the Foreign Affairs Committee conducts broad-scale hearings on the military alert. We should take the opportunity presented by this resolution of inquiry to put the Executive on notice that Congress must be fully and promptly informed on all significant matters of foreign affairs. We should take this opportunity to lay before the public the facts behind the October 24, alert, so that, presumably, the lingering cloud of suspicion can be lifted.

FURTHER ASPECTS OF PRESIDENT NIXON'S TAX PAYMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, during the last several days, there have been some people saying, "Is it not nice the President paid his taxes." For the sake of preserving some creditability for the tax system, I too am pleased that the President did his duty, and promptly agreed to the amount that the Internal Revenue Service and the Joint Committee on Internal Revenue Taxation said he owed.

As I have been saying in the House of Representatives for the past 4 months, it was obvious that the President owed nearly half a million dollars in back taxes. While it is good that he made up the underpayment without argument, I fear that he has already inflicted a great deal of harm to the voluntary tax system. The President's moral indifference has rendered a serious blow at our system of "voluntary self-assessed tax collection." I believe that many individuals will follow the pattern of the President. Some will take deductions previously overlooked. Some will stretch their deductions and move into the gray areas of the tax law.

Before the President receives many more compliments on doing his duty, I would like to point out three aspects of his tax settlement.

First, many have pointed out that he did not have to pay the 1969 deficiency of $171,055—for which no interest has been assessed—because the statute of limitations had run. No one is pointing out, however, that the President's 1968 gift was also a restricted gift and therefore nondeductible. Thus the President took an extra $70,552.27 in improper tax deductions. There has been no talk of collecting or paying this 1968 underpayment of tax—for details see the Joint Committee's report, pages 5, 12, and 41.

Second, the interest being paid by President Nixon of $32,409 will be deductible in determining his 1974 taxes. Assuming that the President would normally be in a 50-percent tax bracket, the interest payment could be an out-of-pocket expense of about $16,000.

Third, under section 6511, the President may file for a refund anytime during the next 2 years. It is quite possible that he could wait until the present furor dies down, and then quietly and secretly ask the IRS—over which he is commander-in-chief—for a refund. I do not believe that he has any grounds for a refund—except that he could change his mind on the 1969 payment which he is "voluntarily" making. I am today asking the Commissioner of the Internal Revenue Service whether the President's 1969 payment is a donation to the Treasury, or whether it is a tax payment subject to a refund application under section 6511. And if it is a donation, will it be possible that this payment will be claimed as a charitable contribution for 1974 tax purposes.

Finally, Mr. Speaker, I regret to say that after going over the Joint Committee's report, one must conclude that the President or his tax advisors were not competent in dealing with the problem. I believe that if the same tax returns had been submitted by any other citizen, that citizen would be facing a most serious tax fraud charge.

I would like to conclude with the following quote from the President's press conference of May 3, 1971, when, in response to a question about a Treasury ruling on depreciation, President Nixon said:

I, as President, and as I may say, too, formerly one who practiced a good deal of tax law, I consider that I have the responsibility then to decide what the law is . . . and my view is that while they had expressed a different view, that the correct legal view and the right view from the standpoint of the country was to order the depreciation allowance. [Emphasis added.]

ATTORNEY GENERAL SAXBE'S UNFORTUNATE REMARKS ABOUT JEWS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 15 minutes.

Ms. HOLTZMAN. Mr. Speaker, at a press conference held on April 3, At-

torney General Saxbe made some unfortunate and improper remarks about Jews. Because of his prominent position in the Government, these remarks were widely disseminated in the press.

I am inserting the text of a letter that I wrote to the Attorney General on April 4, 1974 in response to his remarks:

DEAR MR. ATTORNEY GENERAL: I was deeply chagrined to read in *The New York Times* this morning your statement that the "Jewish intellectuals . . . in those days [of McCarthy] were very enamored of the Communist Party." (Your office subsequently confirmed that this remark was in fact made.) Your remark is not only grossly inaccurate but brutally insensitive to the history of anti-semitism throughout the world.

It is genuinely appalling to me that you, as the highest legal officer in this country, could so easily adopt the concept of "Jewish Communists," a catch phrase that has been a chief tool of anti-semites since Nazi Germany. Your thoughtless expression can only encourage the forces of religious bigotry.

It is particularly disturbing that such a statement should be made by an Attorney General who has, among other things, an obligation to uphold the Constitution and spirit of its laws which prohibit religious discrimination and which reflect a commitment to respect all religious groups.

Since I know every decent American objects to anti-semitism, I urge you to retract the statement you made and apologize not only to the Jews of America, but to the American people as a whole.

SERIOUS DISPARITIES IN FARM-RETAIL PRICE SPREADS

The SPEAKER. Under a previous order of the House, the gentleman from Idaho (Mr. HANSEN) is recognized for 5 minutes.

Mr. HANSEN of Idaho. Mr. Speaker, when the administration announced the purchase of $45 million worth of beef last month to prop up sagging beef prices for cattle producers, many American consumers were quite perplexed. Why was such a sale necessary when beef is selling at record high prices in the supermarkets of America? The reason, of course, is the farm-retail spread—a concept not widely understood by the average American consumer. This spread represents the difference between what a farmer-producer is paid for his farm products, and the retail selling price to the consumer. In August of 1973, the average retail price for 1 pound of USDA Choice beef was $1.440, while the farm value of that meat stood at $1.085. In March of 1974, the retail price of comparable beef was $1.440, while the farm value of this beef had dropped to 86.5 cents—a drop of 22 cents.

A similar situation exists for pork and lamb. The price spread for pork has increased 51.4 percent in the last year, while the farm value of this pork has increased only 5.4 percent. Packer margins for lamb have doubled in recent years to compound the many other problems faced by the American lamb producer.

In the grain area, wheat has fallen from a price of $6.50 a bushel to $3.97 a bushel—a 61 percent drop in price. At the same time, bread prices have increased over 3 percent.

I am well aware of several reasons for a slight increase in the farm-retail spread. Increasing energy costs, increasing labor charges, and escalating freight rates have contributed to some increase. But I question that the amount of these increases is accurately reflected in the widening gap between what the farmer receives for his labors and what the consumer must pay to put a decent meal on; the cost of finished food made from those products should also decline accordingly.

The current problems of America's cattle producers will ultimately descend upon the American consumer in the form of even higher prices and reduced supplies. This situation will probably occur a little later this summer or in early fall unless substantial progress can be made in correcting the untenable situation of the farmer-producer.

It would be beneficial to reflect on the circumstances that led to this current state of affairs—in a hope that this knowledge will prevent similar mistakes in the future:

The winter of 1972–73, with unusual conditions of moisture and temperature, saw an overall reduction in daily gain in animals from 25 to 50 percent, and a concomitant reduction in the amount of meat available for market at a time when demand was high. Reduced supplies of cattle and hogs for market resulted in increased prices. Consumer reaction to these higher prices resulted in an announced meat boycott—which in turn resulted in lower order levels from retail establishments. This, of course, resulted in a price drop of $4 to $6 per hundredweight, and animals were withheld from market. The Cost of Living Council entered the picture and imposed meat price ceilings on March 29, 1973. The price ceilings, which were due to expire at the end of July, were extended until September 12. Rather than face losses, stockmen withheld cattle from market in the hope that their investment could be recovered with the lifting of controls. As could be expected, the withholding action of the farmers resulted in an oversupply of cattle—which should have resulted in lower prices for the consumer. The event that precluded this anticipated price reduction was the truckers strike. Farmers could not get their animals to market, and many packers went out of business. The situation has not measurably improved since the end of the strike. Depressed cattle prices and increased costs of production, reflecting higher prices for feed, machinery, interest, et cetera, have resulted in cattle selling at 10 to 15 cents per pound under the farmer's cost of production. Feedlot operators are being devastated by this turn of events, losing an average of $100 a head on cattle they sell to packers. Feedlot placements are down 20 percent from a year ago, while cattle on feedlots are down only 4 percent from last year. This means that there is an oversupply of fat cattle waiting to go to market, but there will be a shortage of marketable cattle this year because young cattle are not entering the feedlots at levels consistent with consumer demand. Add to this problem the fact that many of the cattle that have been slaughtered for market in the last 8 months have been from dairy herds. Narrow milk margins have forced dairy farmers to thin their herds. This means that there will be less hamburger cows and fluid milk for consumers later this year. Prices are bound to go up on these two very important ingredients in the American diet.

Thus, we have a situation where the producer-farmer is fighting for survival, while the consumer is hard pressed to balance his food budget in the face of rapidly rising prices. The only sector that is benefiting in this situation is the packing and distribution area and the retail sales outlets. Records indicate that the sizable portion of the late 1973 increases in farm-retail spreads came in significant increases in the retail margin—as much as 30 to 50 percent.

The growing concern about price spread, especially in meat, has resulted in several grand jury investigations in northeastern cities. It is now apparent that meat price racketeering has been, and is, taking place. A Federal strike force has been formed to aid in these investigations in New York City, but thus far, cooperation has been limited because of fear of reprisals by organized racketeers. The attitude of apprehension in the small operator is easy to understand because of his particular vulnerability, but there is no reason why the large chain-type retail food stores cannot cooperate in this effort. Obviously, everyone would benefit if this unconscionable trade could be abolished once and for all.

I have joined others in asking that the Federal Trade Commission conduct an investigation into the food price situation. All too frequently in the past, investigations of this type have yielded volumes of reports and recommendations, but far too little positive action. It is time to reverse this trend, and I am sure that America's farmers and consumers would share in this sentiment.

There is another area that merits the attention of the Federal Trade Commission—the volatile pricing rules that allow major meatpackers to adjust their prices upward to reflect increasing costs. Federal Trade Commission regulations specify that packing firms granted increases under the volatile pricing rules shall reduce prices to reflect cost decreases in the cost of the raw material or partially processed product upon which the price increase was based. I strongly urge the Trade Commission to undertake a review to determine if violations of this provision have occurred. If the firms are in compliance with the terms of this ruling, they should be willing to cooperate fully with the Federal Trade Commission in demonstrating the validity of their pricing structures.

In line with the previous recommendation, the Agriculture Subcommittee on

Domestic Marketing and Consumer Relations might wish to explore the possibility of standardization of cuts of meat on which to base more accurate cost determinations. A certain amount of confusion now exists because of the numerous terminologies describing essentially the same cut of meat. A standardization program would enable the consumer to become a more discriminating and competitive shopper.

In closing, I wish to once again commend the House Subcommittee on Domestic Marketing and Consumer Relations for its initiative in holding food price hearings. I earnestly hope that the proprietary stumbling block can be overcome in the middleman and retail level of our food distribution scale so that the public can be aware of actual costs on each level from the farm to the table. If profiteering is occurring at any level, it should be made a matter of public information. The American farmer and cattleman works too hard for his dollar, under trying conditions, to have his credibility and economic viability undermined by a handful of pricing racketeers. I am not against a fair profit for anyone; as a matter of fact, I would like to see the cattlemen and farmers of this country make a fair profit on a sustained basis. This is the way we will achieve ample and reasonably priced food for the American consumer. I do want to go on record, however, as being firmly opposed to unconscionable profit-taking at the distribution and marketing level that robs the American farmer of a chance to make a decent living and forces the American consumer to become an economic captive of his food shopping basket.

Mr. Speaker, I include at this point in my remarks a copy of my letter to Chairman Lewis A. Ingman of the Federal Trade Commission on the importance of extending and intensifying the Federal Trade Commission's review of the farm-retail price spread.

HOUSE OF REPRESENTATIVES,
Washington, D.C., April 8, 1974.

Hon. LEWIS A. INGMAN,
Chairman, Federal Trade Commission, Washington, D.C.

DEAR MR. INGMAN: The House Agriculture Subcommittee on Domestic Marketing and Consumer Relations has recently concluded hearings on the meat price situation in the United States.

The testimony presented at these hearings by representatives of farm organizations, cattlemen, and fellow Congressmen indicates a serious disparity between the price paid for meat by the American consumer and the share of that price that is paid to the farmer-producer. Statistics furnished to me by the Department of Agriculture indicate that in August of 1973, the average retail price of a pound of USDA Choice beef was $1.440, while the farm value of that meat stood at $1.085. In March of 1974, the retail price of comparable beef was $1.440, while the farm value of this beef had dropped to 86.5¢. I question the contention of distributors and marketers that this spread is accounted for by increasing energy and labor costs, at least to the extent claimed by these groups.

This trend in growing price spread is not confined to beef alone. Serious disparities also exist for pork and lamb, as well as for other farm commodities, such as wheat. For example, while the price of wheat has fallen from a high of $6.50 per bushel to as low as $3.97 per bushel in recent weeks—a decrease of 61%—the price of white pan loaf bread has not decreased accordingly. In fact, Agriculture Department figures indicate that bread has actually increased in price while the price of wheat has been declining.

I view the present food price situation with great concern. On the one hand, the farmer-producer, especially the beef producer, is struggling for survival. Feed lot operators are losing an average of $100 a head on sales to packers, and initial esimates indicate that the cattle industry has lost over $1 billion this year to date. On the other hand, the American consumer is fighting what appears to be a losing battle to balance his food budget, and he is understandably hard-pressed to understand the plight of the farmer-producer in light of increasing food prices.

If this situation is not corrected by timely and decisive action, our agricultural sector will suffer economic setbacks that will severely tax our farmers' ability to provide ample, reasonably-priced food for the American consumer. Predictions have already appeared in major publications about impending beef shortages and escalating prices. Added to this disturbing prospect is the threat of milk shortages later this year.

In light of these compelling circumstances, I strongly urge the Federal Trade Commission to extend and intensify its own investigative activities in this very important area. The growing farm-retail price spread merits your immediate attention so that corrective action can be taken in time to help both the farmer-producer and the consumer.

I would appreciate a report on the results of the Federal Trade Commission's pricing investigation to date, together with a projected timetable for further action planned to counteract these serious pricing disparities. Additionally, I would appreciate your comments on proposed standardization of meat cuts that would reduce the confusion that now exists because of the various terminologies used to describe essentially the same cuts of meat. This action, together with the publication of accurate pricing data, might help the American consumer to be a more discriminating and competitive shopper.

I look forward to your reply on this urgent matter.

Best wishes.

Sincerely yours,

ORVAL HANSEN,
Member of Congress.

PERSONAL ANNOUNCEMENT

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I was not present at the end of the session of April 4 because of a commitment I had previously made to be present at a town hall meeting in New York which I regularly conduct in my district and which was attended by a large number of constituents. Had I been present, I would have voted against the amendment of the gentleman from Louisiana (Mr. HÉBERT) increasing the authorization ceiling on military aid to Vietnam, and against the final passage by voice vote of H.R. 12565, the Department of Defense supplemental authorization.

PUBLIC SUPPORT FOR SURFACE MINING CONTROL AND RECLAMATION ACT

(Mrs. MINK asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, the Surface Mining Control and Reclamation Act, H.R. 11500, is currently in markup before the Committee on Interior and Insular Affairs. This legislation is of paramount importance not only to Americans who live in the threatened areas of the Midwest, Applachia, and Northern Great Plains, but also to the rest of the Nation as well.

Over the past 50 years, the local industry has compiled a dismal record in its quest to produce coal as cheaply as possible. As the once lovely hills of Appalachia have been ripped and poisoned beyond belief, the real costs of surface coal mining operations have been imposed upon people living in the hollows of Tennessee, Kentucky, Ohio, and West Virginia. These costs will continue to be borne by future generations of Americans, unless we act decisively now to end this needless carnage.

The fact is that we simply cannot afford to transform thousands of acres of productive farm and forest lands into a wasted or degraded condition. We cannot afford it psychologically. We cannot afford it environmentally. And most of all, we cannot afford it economically.

In the name of all that is good and decent, the destruction caused by coal surface mining must be stopped while the recovery of necessary coal continues. Lest we forget that millions of people, and their homes and communities are involved, I insert the following letters in the RECORD, so that Members of Congress can read for themselves the concerns of those groups which are most familiar with the ravages of strip mining:

MARCH 21, 1974.

Hon. PATSY MINK,
Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSWOMAN MINK: Your stand on the strip mining bill is applauded by everyone in the conservation movement.

I thought you might find the attached statement of particular interest. It was delivered today (March 21) at The National Press Club by Ray Hubley, our Executive Director.

Cordially,

JACK LORENZ,
Information Director, the Izaak Walton League of America.

STATEMENT BY RAYMOND C. HUBLEY, JR., EXECUTIVE DIRECTOR, THE IZAAK WALTON LEAGUE OF AMERICA

(Presented at Energy and Environmental Press Conference in the National Press Club, Washington, D.C., March 21, 1974)

It has become increasingly clear that for the foreseeable future, this nation must turn to coal to take up the slack in its energy budget. This fact was vividly illustrated by Secretary Morton's recent announcement of

an Administration "coal strategy" designed to expand the use of coal from its present 17.1% of the national energy base to the 45% of 10 or 15 years ago.

The question is not whether we will turn to coal, but how and where it will be mined and burned. And with what impact on the natural, social, and economic landscapes?

Right now, the House Interior Committee is marking up a bill to control the abuses of strip mining. This bill is designed to put an end to our rivers being filled with silt or poisoned by acid run-off, homes and communities destroyed by land slides, mountain ranges scarred by thousands of miles of high walls and spoil banks and productive agricultural lands turned to sterile moonscapes. The proposed legislation is not anti-coal, nor is it anti-strip mining. It is simply pro-people.

We are opposed to irresponsible, unregulated, and environmentally destructive strip mining; we are *not* opposed to the increased use of coal. Those who fear effective regulation of stripping have been working overtime to obscure that fundamental distinction. They have argued that with our need for energy, we can not afford to regulate how coal is to be removed from the ground.

Coal interests ignore the fact that deep mining—underground mining—must be the long run answer to our need for coal. This country is blessed with enough recoverable coal to last us for hundreds of years, even at increased rates of consumption. But only 3% of that coal is strippable; the rest—97% of the total—must come from the deep mines. If we talk in terms of low sulfur coal, the picture is essentially unchanged, with a deep to strip ratio ranging from 30:1 to 7:1, depending whose figures are used.

In either case, the ultimate decision is clear, if this nation is going to be dependent on coal over the long term—as the industry and the Administration say we are—we will be dependent on *deep mined* coal. We can not afford to let our underground coal mining industry diminish or die, unable to compete with a wideopen unregulated strip mining industry. We must prepare now for the day when the nation will have to run to its real reserves in the deep mines. In the words of Russell Train: "The sooner we can make underground (mining) more economically attractive, more technologically feasible, and more socially acceptable as a way of life, *the better off* we're going to be."

The "Seiberling Amendment" added to the House version of the strip mining bill is the legislative embodiment of this counsel. It is designed to restore deep mining to a competitive position, encourage immediate expansion of underground coal production, and provide financial incentives to make deep mines safe and healthy places to work. Yet this innovative and forward looking effort has been the subject of unrelenting attack by the *strip mining* industry.

The coal interests and their friends in government have warned that even the modest reclamation requirements in the current House bill (HR 11500) would cause a severe decline in coal production in Appalachia. However, an independent study recently completed by Mathematica, Inc. for the Appalachian Regional Commission and the Kentucky Department of Natural Resources—hardly radical groups—concluded that eliminating high walls, regrading to the original contour and banning down-slope dumping of spoil are highly desirable and is economically feasible with our existing technology. In other words, the techniques are known; they only need to be put into practice.

In a letter from the Department of the Interior, the Administration recently charged that H.R. 11500 would cut coal production by 5 to 15%. Yet their assertion is totally unsubstantiated, and must remain so, because it is based squarely on a gross misreading of the bill. The mischievious prediction of a 100 million ton cut-back was derived from the assumption that the bill's reclamation standards are equivalent to a *ban* on strip mining in the Appalachian coal fields—an assumption that the Mathematica Study and practical experience have shown to be false.

The abuses of strip mining are not confined to the mountains of Appalachia alone; the spectre of the dragline is stalking the high plains of Wyoming and Montana. Partly in response to the threat of effective regulation of contour mining, the energy companies have been pouring money into the Western coal fields with the full blessing of the Administration. This phenomenon is rapidly becoming known as the East-West shift.

Appalachia, which has been bled of its coal for generations, is now about to suffer a massive hemorrhage of investment capital. As coal production shifts westward, billions of dollars in capital and payrolls will go with it, followed promptly by all the secondary investments and businesses that cluster around any major industrial operation. The economy, politics, and way of life of the high plains would be changed forever, and the people of Appalachia would be allowed to sink back into poverty. Perhaps it is another case of "benign neglect," but it seems a peculiar policy for a country that, only a few years ago, was committed to the economic revival of Appalachia.

The argument is that the western coal is low in sulfur content and needed to meet the standards of the Clean Air Act. But the public has not been told that there are vast reserves of low sulfur coal available in West Virginia—enough to satisfy the 1973 level of demand for 100 years according to an estimate by Mr. McManus, Speaker of the West Virginia House. However, most of the West Virginia low sulfur coal must be deep mined and the United Mine Workers is about to renegotiate its contract.

The western coal fields may offer a haven from the industry's labor troubles and an opportunity for high profit, but the coal is also low in BTU value per ton, high in water and ash content—it must be dried before burning and this significantly raises the sulfur content per ton. Because it is located far from its markets, the western coal must be transported great distances, in the process wasting our diminishing supplies of fuel oil. Finally, there are grave doubts whether the arid western coal fields can be reclaimed after strip mining.

Shifting the devastation to the West is *not* a solution to the abuses of strip mining. And it's not necessary to meet our energy needs.

STUDENT GOVERNMENT ASSOCIATION,
Greensboro, N.C., March 14, 1974.

DEAR REPRESENTATIVE MINK: I want to thank you for your efforts opposing the loophole in the strip mining land reclamation laws. The allowing of companies to mine anywhere without having the equipment to reclaim would be saying let's leave America the beautiful full of open sores in her countryside.

Help the people in North Carolina and other States by continuing to fight against this loophole. Thank you.

Sincerly yours,

CHRISTOPHER JONES,
President.

SIERRA CLUB,
Washington, D.C., February 28, 1974.

Hon. PATSY T. MINK,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSWOMAN MINK: On behalf of the Sierra Club I want to convey my deep appreciation for your support of sound strip mining legislation by rejecting the attempt within the Interior Committee to substitute H.R. 12898, the "Hosmer Bill," for the Committee Bill H.R. 11500. As you wisely knew the substitution of the industry supported bill would have virtually eleminated strip mine regulation for the west and would have been a major setback to passing meaningful stripmine legislation in this Congress.

We look to your leadership in obtaining a strong stripmine bill in the Interior Committee and to its final passage in the House.

Sincerely yours,

RICHARD M. LAHN,
Washington Representative.

JANUARY 11, 1974.

Hon. PATSY MINK,
House of Representatives,
Rayburn House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE MINK: For your information, I am enclosing a copy of a recent WNEP-TV editorial on the subject of strip mining and the energy crisis.

While we believe that the role of coal is important in solving the energy crisis and will continue to be even more important, at the same time we believe very strongly that it is possible and most desirable to acquire this coal in a way that does not permanently destroy our land. We at WNEP–TV speak from experience on this matter.

Thank you for your attention.

Sincerely yours,

THOMAS P. SHELBURNE,
President, NEP Communications, Inc.

STRONG STRIP MINING LAWS

The fact that the Nation faces a critical energy shortage should be known by everyone, and steps to conserve fuel and develop other energy sources are extremely important.

Coal will undoubtedly play an ever increasing role as a future energy source. Underground mining will be increased, as well as strip mining. Better safety standards that will adequately protect the miners who work underground should be enacted by Congress. And laws, strong laws, on a federal level that will require the return of strip mined land to original contour are, in our opinion, mandatory.

Our State strip mining laws must remain strong and be strictly enforced. We cannot go back fifty years and allow the strip miners to ravage the Earth. Those who would relax strip mining standards, instead of enforcing stringent ones, should first view the ravaged mountains of Northeastern Pennsylvania.

We at WNEP can look across the Valley and see an abandoned strip mine that hasn't been worked in decades, and there is still no vegetation growing on the lunar-like surface of the mine.

According to Senator Richard S. Schweiker, "When you mine an acre of coal, you get $35,000 income from the sale of that coal. It costs about $500 of that $35,000 to return the land to its approximate original contour. That's about 1½ %. I think that is a very small investment."

We agree. In our haste to develop additional energy sources, common sense must prevail. Strong controls must accompany new development of energy resources.

FISHING WORLD,
Floral Park, N.Y., November 30, 1973.
Hon. Mrs. PATSY T. MINK,
U.S. House of Representatives,
Washington, D.C.

DEAR MRS. MINK: I am pleased to learn that H.R. 11500, the Surface Mining Control and Reclamation Act of 1973, contains a strong Reclamation Fee provision that will encourage deep mining and provide for restoration of land ravaged by strip mining.

On behalf of *Fishing World's* 176,140 paid subscribers, I urge you to vote for the $2.50 per ton Reclamation Fee.

We must not allow our national need for energy to waste a beautiful land into an industrial slum comparable to the Ruhr.

Respectfully,

KEITH GARDNER,
Editor.

NATIONAL AUDUBON SOCIETY,
New York, N.Y., January 29, 1974.
Hon. PATSY MINK,
House Office Building,
Washington, D.C.

DEAR MS. MINK: At the second meeting of the Environmental Advisory Committee to the Federal Energy Office, held last Friday, January 25th, 1974 in Washington, D.C., the members of the Committee unanimously adopted the enclosed recommendation concerning pending legislation to regulate strip mining.

The recommendation is quite specific with respect to the provisions which members of the Committee feel should be embodied in a federal strip mine law. The Committee urged the Federal Energy Office to support such legislation and work for its passage.

Also enclosed for your information is a list of the members of the Environmental Advisory Committee.

Sincerely,

CHARLES H. CALLISON,
Executive Vice President.

RECOMMENDATION

It is clear that America must use more coal to meet its energy needs, and increasing amounts will be exported. There are broad and deep deposits sufficient to meet all needs for many decades that can be mined efficiently from the surface in areas where land reclamation after mining is feasible. Less than three per cent (3%) of mapped coal resources in the United States are strippable, but at present surface mining accounts for half of our domestic coal production. Therefore it is imperative that Congress promptly enact and the President sign strip mine legislation adequate to accomplish the following standards and regulations:

1. Require back-filling and regrading to the approximate original contour.
2. Require the elimination of high walls, spoil piles and depressions.
3. Require re-establishment of permanent vegetative cover with the liability of mining companies extended long enough to see this accomplished.
4. Prohibition of strip mining in any area unless the operator can demonstrate that reclamation is possible.
5. Prohibition of strip mining in National Parks, Wildlife Refuges, Wilderness Areas, and National Forests.
6. Bonding of operators to assume performance to the required standards.
7. Authorization of lawsuits by citizen groups in aid of enforcement.
8. Protection for farmers and ranchers when mineral rights to their lands are held by the government.

Further the Federal government must have interim authority to regulate strip mining according to the prescribed standards until states pass conforming laws, and there must be continuing Federal authority to intervene if a state fails to enforce such laws. This committee urges the Federal Energy Administration to support such legislation and to work for its passage in the 1974 session of Congress.

ENVIRONMENTAL COMMITTEE

Larry Moss, Sierra Club, Washington, D.C.
David D. Dominick, Washington, D.C.
Malcolm Baldwin, The Institute of Ecology, Washington, D.C.
Ed Strohbehn, Natural Resources Defense Council, Washington, D.C.
Eldon Greenberg, Center for Law and Social Policy, Washington, D.C.
Paul Ignatius, President, Concern, Inc., Washington, D.C.
Lois Sharpe, Environmental Quality Staff, Washington, D.C.
Charles H. Callison, Exec. V.P., National Audubon Society, New York, New York.
Grant Thompson, Environmental Law Institute, Washington, D.C.
Douglas M. Costle, Commissioner, Dept. of Environmental Prot., Hartford, Connecticut.
William Reilly, President, Conservation Foundation, Washington, D.C.

Representative PATSY MINK
Washington, D.C.:

Reaffirm support for long-range environmental protective provisions in H.R. 11500 versus short-term minor coal losses. Emphasis should be on deep mining and land heritage that must not be destroyed for sake of present wasteful expediency.

C. HOWARD MILLER.

NATIONAL WILDLIFE FEDERATION,
Washington, D.C., March 25, 1974.
Rep. PATSY MINK,
Rayburn House Office Building,
Washington, D.C.

DEAR MRS. MINK: I should like to take this occasion to put in writing what many of us have been saying verbally: you are doing a great job on bringing out of the House Committee on Interior and Insular Affairs a strong and effective proposal to control strip-mining.

We have noted with great interest and admiration your effective efforts to resolve differences without sacrificing what conservationists and environmentalists regard as provisions essential to any effective strip mining controls. And, we fully appreciate that you are taking these positions through conviction and dedication rather than simply in response to pressure from constituents; as a consequence, we place even higher values on your performances.

The National Wildlife Federation prides itself on taking what we consider to be reasonable attitudes to natural resource problems. We feel you are pursuing the same course and commend you for it.

We are taking the liberty of sending a copy of this letter to personnel of our affiliate in your fine State.

Sincerely,

THOMAS L. KIMBALL,
Executive Vice President.

MARCH 22, 1974.
Hon. PATSY MINK,
Chairman, Subcommittee on Mines and Mining, House Interior Committee, Rayburn House Office Building, Washington, D.C.

DEAR MRS. MINK: With the country in a state of alarm over the energy crisis, these are not the easiest of times for environmentalists. You deserve special congratulations for your untiring efforts to forge a responsible and effective strip mining bill.

All too often, we let the actions of our friends pass unrecognized. This time, we want to let you know that the Izaak Walton League of America deeply appreciates your staunch defense of environmental quality.

Thank you.

Sincerely,

MAITLAND SHARPE,
Environmental Affairs Director.

RUPERT, W. Va.,
March 23, 1974.
Mrs. PATSY MINK,
U.S. House of Representatives,
Washington, D.C.

DEAR MRS. MINK: This is just to encourage you in your struggle to get your subcommittee's surface mining bill through the full committee.

The West Virginia Highlands Conservancy, on whose Board I serve, has voted to support the strongest possible environmental safeguards in the bill. As regards the attempt to relax these safeguards in order to return to the age of cheap power, we also resolved "that we are willing to accept the necessary privations as payment for our and our ancestors' squandering and as our pledge to their descendants".

Keep up your good work.

NICHOLAS ZVEGINTZOV.

ECONOMICS OF SURFACE MINING CONTROLS

(Mrs. MINK asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, the statement of Carl E. Bagge of the National Coal Association in Birmingham, Ala., on March 15, 1974, is a clear example of the attempt by many sectors of industry to use the current energy crisis as an excuse to justify virtually any abuse against the American public.

Mr. Bagge's inflammatory language is replete with self-serving distortions of the dilemma now faced by the coal industry. Such an approach to the gravest issue now facing the Congress is neither in the interest of the public nor of the industry. The issue is simply whether America's vast coal resources are to be ripped willy nilly out of our land, or whether the other precious tangible and intangible resources of our coal-bearing regions are to be preserved for posterity, while we recover the coal we so badly need.

The Surface Mining Control and Reclamation Act, H.R. 11500, which is one of the objects of Mr. Bagge's diatribe, is the result of nearly 3 years of work by the Committee on Interior and Insular Affairs and by the joint Subcommittees on Environment and Mines and Mining. This bill is not an attempt to "harass, kick or bedevil" the coal industry. It arose in response to the widely recognized problem of environmental damage caused by coal surface mining. No one who has seen what is left of the mountains of West Virginia and Eastern Kentucky or who has talked to survivors of the Buffalo Creek Disaster of 1972 can believe that this industry is not in need of regulation. The coal industry has demonstrably left the citizens of these and

other states with a legacy of destruction and death.

Beginning in September 1973 the Joint Subcommittees on Environment and Mines and Mining, after having conducted hearings in April and May which amounted to over 1,600 pages of testimony, began markup on the coal surface mining bill. The joint subcommittees labored for over 2 months. They held 29 markup sessions before the bill was finally reported on November 12, 1973. During these markup sessions, several compromises were reached to avoid the undue restraints upon the coal industry. The bill which was reported by the joint subcommittees is a compromise bill which is aimed at allowing the surface mining of coal to continue, while at the same time minimizing the environmental damage caused by those operations.

In referring to H.R. 11500 as "short-sighted, ill-conceived, and downright vindictive," Mr. Bagge is apparently not in agreement with at least one influential segment of the industry. In December 1973 the Continental Oil Co., owner of Consolidation Coal Co., second-ranking coal producer in the Nation, presented a paper entitled "Coal and the Energy Shortage," specially prepared for a group of security analysts. This no-nonsense review of the prospects for the U.S. coal industry paints a glowing picture:

In summary, application of present and new technology should greatly widen coal's horizons. Demonstration of second generation stack gas scrubbing equipment and development of improved coal conversion processes will permit coal's utilization to generate electricity without excessive pollution. Production of methane will bring in coal as a major source of supply to our existing gas grid. Conversion to liquids will permit use of coal as an ultimate source of fuel for transportation, residential, commercial, and industrial markets. With these expanded opportunities, coupled with programs to increase greatly production, our nation's abundant coal resources should play a dominant role in our objective of combining a high standard of living with a high degree of energy self-sufficiency.

In referring to H.R. 11500, the report specifically endorsed the primary concept underlying the environmental protection performance standards in the bill by commenting that:

We believe the nation's interests would be served best by legislation that requires the return of surface mined land to its approximate original condition or to a condition that will provide for an equal or higher use.

In a useful analysis of the costs of land reclamation accruing to the surface mine operator, including the costs of returning the topography to the approximate original contour. Consoco has this to say:

Reclamation in the West might involve expenditures of $1,000 to $4,000 per acre to restore land to its original value. In the hillier terrain in the East, a higher cost in the range of $3,000 to $5,000 per acre can be expected. Because of the thicker coal deposits in West, this reclamation cost can amount to 2¢ to 20¢ per ton, while it can be $1.00 to $3.00 per ton in the East. Although this cost may seem relatively high on a per-ton basis, the cost in terms of cents per KWH to the consumer seems to us to be reasonable when you consider the potential energy contained in our surface reserves. Even taking the largest of these costs would add only 2 to 3 percent to the average residential electric bill.

In other words, our second largest coal producer is quietly passing the word to the financial community that the basic premise underlying H.R. 11500 is sound—that the increased costs of reclamation will not prove onerous for either the industry or the consumer, and that protection of surface values is in the national interest.

As to Mr. Bagge's allegation that synthetic fuels production will be eliminated by congressional action aimed at preserving the environment, it seems to lack factual support. There has been no dearth of activity among the coal and oil companies in recent months in cornering the western coal and water supplies which are necessary ingredients of gasification and liquefaction plants. Over 15 coal gasification plants are contemplated by the oil and gas industry. If, as Mr. Bagge states, this kind of development is in danger of extinction, the industry does not seem to be concerned.

Regarding the price estimates for gas made from coal, there is a wide disparity. On a per million Btu basis, estimates range from $0.4476 to $1.50. This range of uncertainty among the experts in gasification research and development is cause enough to doubt Mr. Bagge's argument that rising costs due to surface mining reclamation expenditures will eliminate gasification as an economic possibility. Gasified coal would be competing primarily with other supplementary gas sources, such as natural gas from Alaska and LNG from Algeria and the U.S.S.R. Estimates for delivery of gas from these sources range from $1.25 per thousand cubic to $2.50 per thousand cubic feet. The American Gas Association has predicted that the price of U.S. natural gas will reach $1 per thousand cubic feet by the end of the century.

The vast majority of the coal gasification plants which are now contemplated will be constructed in the West. These plants will depend upon surface mines for their coal. As the Conoco study points out, reclamation of these lands will amount to only a few cents per ton. This added cost will have virtually no effect on the price of the gasified coal.

Using figures from the National Petroleum Council's report "U.S. Energy Outlook, Coal Availability," let us examine what would happen to the price of gas from coal with a $0.25 rise in the price of a ton of coal—a figure well above the Conoco estimate for reclamation costs.

A 250-million-cubic-foot-per-day plant producing gas with a heating capacity of 900 Btu per cubic foot, would produce 225 billion Btu/day of gas. The plan would use 5.3 million tons per year of bituminous coal, or approximately 14,520 tons per day.

In such a plant, a $0.25 per ton price rise in the price of a ton of coal would add $3,630 to the daily operating cost of gas production. This works out to only 1.6 cents per million Btu of gas, an inconsequential amount.

In fact, the price of coal has almost tripled within the last 12 months. These price increases cannot have been due to any increased reclamation costs. They are, in large part, a reaction to the rising price of oil. If the coal industry is so worried about being priced out of the market by costs incurred as a result of reclamation, their recent pricing behavior is certainly enigmatic.

I think that it is about time that the coal industry accept its responsibility to the rest of our society. Coal can be mined at reasonable profit and the land reclaimed. The cost of reclamation will be passed on the consumer in any case. The land must then be available for alternative productive uses in the future. The present shortages of lumber and lumber products, as well as the skyrocketing prices of food should serve as warning that we will need every inch of productive land we can find before long. H.R. 11500 will insure the strong regulation needed to protect the productivity of our land.

INTRODUCTION OF LEGISLATION TO PROVIDE PUBLICLY FINANCED HOSPITAL CARE TO ALL PERSONS IN THE UNITED STATES

(Mrs. MINK asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, as Congress takes up national health legislation, I hope we will take a serious look at the system we create; the burden we may be locking into our health care mechanism forever, with a complicated process which depends upon a "middleman" either in the shape of a new federally subsidized insurance industry or in a new governmental bureaucracy.

Although we know that the cost of any kind of health care can have a significant impact on the average person, we all recognize that it is the expense of extended hospitalization which threatens financial disaster to any family. With hospital costs rising to hundreds of dollars per day, even families covered by health insurance stand to end up with thousands of dollars in debt.

I believe protection against this staggering economic burden of hospital care is the most pressing health concern of our people. Yet the national health insurance proposals now before Congress fail to remedy the existing defects of waste, duplication, and disorganization which have contributed heavily to the increasing cost of hospital care. In addition these proposals merely add patchwork methods of financing to a hospital system already overburdened by enormous expenses of patient bookkeeping and billing that could and should be eliminated.

I call on Congress to face up to not only these burdensome administrative costs but to guard against the superimposition

of an insurance company middleman to further complicate the system and contribute further to the ridiculous mountains of forms that must already be filled out by doctors and patients alike. We are all trapped in a system that seems to emphasize paperwork production rather than human care—a system that would be perpetuated if not increased under proposed expansions of the Federal role in health care insurance. It is quite clear that we will all be fighting what is "includable," "excludable," "deductibles," "time limits," and all other eligibility "razzma-dazz" technicalities. Therefore, it seems to me we have no choice if we really want to correct this system. We must drastically revise the structure of our hospital cost payment practices, or else the entire hospital system will topple under the growing weight of its own computer cards and monthly statements at fantastic costs just for mailing. I believe we can do this, very simply and very directly, but it will require a totally new approach and an abandonment of the "insurance" concept.

Also we should be working to reduce hospital costs, not only of new ways to finance them. If we can accomplish this, the most critical part of health care costs will have been brought under control. The remaining health insurance needs of our people, that is, doctor bills could be met with far less effort, largely by relying on existing insurance programs.

I believe the best way to reduce the cost and paperwork of billing every individual patient is to stop billing individual patients. Instead, the costs of operating hospitals should be borne as a public expense, in much the same way as we now pay for countless other national programs. Payment of the overall total cost would be borne by the Federal Government. Individuals would contribute the same or nearly the same payroll deductions they now pay for hospital insurance, but they would never have to cope with confusing and time-consuming hospital bills.

In order to permit Congress to consider this practical way of reducing hospital costs while expanding the availability of service, I will introduce tomorrow legislation to provide publicly financed hospital care to all persons in the United States.

By adoption of such legislation, we can eliminate much of the waste in our hospital system and provide a better quality of care through more efficient organization of our hospital system. The savings resulting from this could enable us to provide hospital care to all who need it, probably with little or no increase beyond the cost we are paying now for inadequate care. Any person, regardless of age, would be able to get hospital care without payment; a doctor's certification of need for hospitalization is all that is needed for admission.

My bill, the National Hospital Act of 1974, would establish a National Hospital Administration—NHA. The NHA would have a Board of Directors appointed by the President, and a high-level Administrator appointed by the President subject to Senate confirmation.

The Board would be directed to investigate the hospital care needs of the people of the United States and determine what new facilities are required in each area of the country to meet those needs. The Board is authorized to enter into agreement with existing hospitals according to an overall coordinated plan, to assume all their operating costs. It could issue $10 billion in capital improvement bonds, guaranteed by the Federal Government, for a 10-year program of new construction, modernization, and consolidation of hospitals throughout the Nation.

The Board would make recommendations to Congress for the financing of the operating costs of all participating hospitals, using existing social security, civil service, and other payroll deductions for hospital insurance to the maximum extent. When fully implemented, all existing programs of Federal assistance to hospitals will terminate and instead a comprehensive fully federally paid hospital program will be inaugurated. Every man, woman, and child regardless of age when in need of hospitalization will be served without paying 1 cent for this care. The total hospital budget will be paid by the NHA. Its liquidity will no longer be dependent upon collecting money from patients.

The Board would be responsible for the direct implementating of policies under which participating hospitals would be managed. The objective would be streamlined and efficient hospital care for all areas of the Nation. We would strive to end the existing practice of hospitals competing for costly but prestigious equipment and facilities with no overall coordination according to area need.

Advisory councils of hospital administrators and consumers are provided for by the bill. A patient advocate system is also established.

It seems to me this legislation offers an opportunity for the Congress to make a badly needed and fundamental change in our hospital care system, so that hospital care would be provided to all as a matter of right rather than merely creating another complicated insurance system of more paperwork of some includable expenses which are covered or are not. My bill will meet all costs of hospitalization, requires no forms, and costs the same.

RESETTLEMENT OF SOVIET REFUGEES

(Mr. BINGHAM asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BINGHAM. Mr. Speaker, I have today introduced legislation to authorize $50,000,000 in additional assistance for the resettlement of emigrants from the Soviet Union.

Such assistance has been provided by the United States since 1972, when legislation which I proposed with Senator EDMUND MUSKIE was enacted into law. That legislation authorized $85,000,000 to help meet the various needs of Russian emigrants, most of whom were destined for Israel. Services provided with this assistance have included transportation, the construction and operation of transit centers, medical services, housing, job training, and other educational services.

The need for this program continues to exist, even though its authorization is expiring. Since September, 1971, when the stepped up rate of Russian emigration began, 85,000 Russian Jews have reached Israel and about 5,500 have gone elsewhere. Hopefully, the Soviet Government will continue to allow this rate of emigration, or even increase it, under international pressure. It has been impossible to discern any definite trend in emigration in the last few years, and the rate allowed by Soviet authorities may well increase this year, even though it has been down somewhat during the first 3 months of this year.

U.S. assistance is vital to these emigrants, who are unable to leave the U.S.S.R. with enough resources to take care of themselves. United Israel Appeal, which has contracted with the Department of State to administer $74,500,000 of these resettlement funds, has estimated the total expenditure for the close to 90,000 Jews who have come to Israel since 1971 at approximately $40,000 per family or a total of $960,000,000. The Government of Israel and private philanthropy have assumed most of this burden, but U.S. assistance must continue to play an important part, especially as the costs of the October war and spiraling inflation place heavy new demands on Israel.

I plan to offer the substance of this legislation in the form of an amendment to the Department of State authorization bill for fiscal year 1975 which will be considered by the Foreign Affairs Committee in the near future. I hope my colleagues in the House will continue to support this valuable program.

PROPOSED REORGANIZATION OF SELECT COMMITTEE ON COMMITTEES: THE NECESSARY PAIN OF REFORM

(Mr. BROWN of California asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BROWN of California. Mr. Speaker, the House of Representatives is a living and constantly changing institution. Little of what characterized it in the 1st Congress remains in the 93d. One feature, which has changed as much as anything else, is its committee structure. As their usefulness has ended, our past committees have been eliminated outright or absorbed into other committees. New committees have come into existence as new national problems have developed

demanding their share of congressional attention.

But in almost 30 years now there has been hardly any change in the committee structure of this House. Committee jurisdictional lines are so tangled, work loads are so uneven, and responsibility for major policy issues is so scattered among the committees that Congress is unable to perform its responsibilities and is fast losing its constitutional position as the coequal of the Executive.

The proposed reorganization of the Select Committee on Committees provides us with the means to rectify much of what is wrong. It is for this reason that I would like to place in the RECORD the text of an editorial from the prestigious Los Angeles Times supporting the reorganization as a whole. I urge the Members of the California delegation, in particular, to take note of it.

The article follows:

THE NECESSARY PAIN OF REFORM

Slowly if not surely, Congress is coming to grips with the painful job of reforming itself. A bill to reform antiquated budget procedures will be voted on by the Senate any day; a separate version has been passed by the House. A campaign finance reform measure has also made its way halfway through Congress.

Now the House faces one of the most difficult jobs of all: reshuffling the committee structure to eliminate overlapping jurisdictions and built-in inefficiencies—though it means bucking some of Washington's powerful legislators and lobbyists.

Critics in and out of Washington have complained in recent years that the congressional machinery grinds exceedingly slow. One reason is that the House Ways and Means Committee has jurisdiction over so many vital areas of legislation that it can't do justice to any of them. Beyond that, existing committee jurisdictions are not suited to rational handling of such increasingly important subject areas as energy and the environment.

A year ago House Speaker Carl Albert (D-Okla.) appointed a special 10-man panel, headed by Rep. Richard Bolling (D-Mo.), to study ways to modernize the committee setup. The panel announced its recommendations this week.

The Bolling group proposed, among other things, that the Ways and Means Committee keep jurisdiction over tax, Social Security and welfare legislation, but be stripped of much of its jurisdiction over legislation on foreign trade, health insurance and unemployment compensation.

Such a move, or something like it, is badly needed to end the kind of traffic jam within Ways and Means that has blocked action on health insurance, despite broad public support, because the panel has been busy on trade, tax and pension reform bills.

Most of the Bolling group's other recommendations for consolidating and streamlining the committee structure are well taken, too.

Considering that the Public Works Committee has a long history of being excessively beholden to the highway lobby, however, we wonder what would happen to mass transit and Amtrak if all transportation programs were centered in the committee, as recommended.

There is also concern that splitting the Education and Labor Committee would produce a badly polarized labor committee and an education committee with too little political clout.

Finally, it is regrettable that the Bolling panel did not see fit to go beyond the modest reforms of 1971 and challenge the hallowed but outmoded seniority system of selecting committee chairmen.

But, on the whole, the Bolling proposals are on target. Fortunately, when they come up for a House vote in late April or May, they are expected to be supported by the leadership of both parties, by reform-minded younger Democrats and by most Republicans.

However, the reform recommendations face strong opposition from powerful business and labor lobbies and from influential legislators such as Rep. Wilbur D. Mills (D-Ark.), chairman of the Ways and Means Committee, who don't want to lose power.

The public interest clearly lies in approval, with some modification, of the Bolling reform blueprint.

AMENDMENT TO HOUSING BILL

(Mr. BROWN of California asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BROWN of California. Mr. Speaker, today I am introducing an amendment to title V of the Housing and Urban Development Act of 1970. The purpose of my bill is to encourage local governments to develop subunits of government. Every level of government today has been criticized for being isolated from the people, unresponsive to local needs and overly bureaucratic. My bill would assist cities to conduct demonstration programs to determine the effectiveness of providing certain types of services through subunit or neighborhood structures of local government. I believe we must combat the feelings of alienation that are becoming more prevalent every day in our society. I feel democratic neighborhood government will provide a vehicle for meaningful citizen participation to reverse this trend.

There is a myth that the larger an organization the more efficiently it operates. The fallacy of this idea becomes more apparent daily. Several recent studies indicate that efficient and responsive service delivery systems can be provided in subunits with populations between 10,000 to 40,000 people Howard Hallman, on page 24 of his book, "Government by Neighborhoods," published by the Center for Government Studies, in Washington, D.C., on September 16, 1970, has compiled the following data that shows what functions communities of various sizes can adequately manage. His summary is listed in the following table:

Functions	Activities which can be handled by a neighborhood: 10,000 population	Activities which can be handled by a neighborhood: 25,000 or more	Activities which cannot be handled by neighborhood
Police	Patrol, routine investigation, traffic control.	Same	Crime laboratory, special investigation, communications.
Fire	Fire company (minimal).	Fire companies (better).	Training, communications, special investigation.
Streets and highways	Local streets, sidewalks, alleys: Repairs, cleaning, snow removal, lighting, trees.	Same	Expressways, major arteries.
Transportation			Mass transit, airport, port terminals.
Refuse	Collection	Same	Disposal.
Water and sewer	Local mains	do	Treatment plants, trunk lines.
Parks and recreation	Local parks, playgrounds, recreation centers, lots, swimming pool (25 m.).	Same plus community center, skating rink, swimming pool (50 m.).	Large parks, zoo, museum, concert hall, stadium, golf courses.
Libraries	Branch (small)	Branch (larger)	Central reference.
Education	Elementary	Elementary, secondary.	Community colleges, vocational schools.
Welfare	Social services	Same	Assistance payments.
Health		Public health services, health center.	Hospital.
Environmental protection.		Environmental sanitation.	Air pollution control.
Land use and development.	Local planning, zoning, urban renewal.	Same plus housing and building code enforcement.	Broad planning, building and housing standards.
Housing	Public housing management.	Public housing management and construction.	Housing subsidy allocation.

Other studies have shown that economies of scale tend to disappear for almost all urban government functions at about the level of 100,000 to 200,000 population.

The move to decentralization that I propose is not new. There is considerable experimentation occurring in various cities, counties, and States today. Included in this list would be Dade County, Fla.; Bergen County, N.J.; New York City; Delaware County, Pa.; Montgomery County, Md.; Washington, D.C.; Dayton, Ohio; Oakland, Calif.; Los Angeles; Boston; Seattle; Kansas City; Pittsburgh; and Sto-Rox, Pa.

I would like to ask my fellow Representatives to help me encourage these local communities and others to continue their experimentation, and I would like to involve the Federal Government in this new partnership with local citizens. It is my intention to seek the support of all interested Members in cosponsoring this legislation. I shall also insert in the RECORD from time to time additional material illustrating the significance of this movement toward decentralization in improving the quality, as well as the efficiency, of modern urban life.

CONSTRUCTION OF THE ALASKAN PIPELINE

(Mr. MITCHELL of Maryland asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MITCHELL of Maryland. Mr.

Speaker, Members of the House on August 2, 1973, approved the construction of the Alaskan pipeline. Strong Equal Opportunity Commission provisions were a part of the bill which was passed. The U.S. Department of the Interior indicated it would draft an effective affirmative-action program to complement the legislation.

What has transpired since that time? The answer is simple. Either there has been no Equal Opportunity Commission action or else there has been abuse of minority contractors insofar as the pipeline is concerned.

We have yet to see any affirmative-action plans from the U.S. Department of the Interior.

Contracts are presently being let by the Alyeska Pipeline Service Co. without any consideration for the involvement of minority contractors.

Minority businessmen/contractors who have sought to get a piece of the action have been curtly and discourteously dismissed for consideration by Alyeska.

My colleagues do not fail to misunderstand why so many black citizens articulate distrust of this Government. Once again, in the case of the Alaskan pipeline construction, equal employment opportunities are being shunted to the side and equal opportunities for minority/black contractors are being systematically denied.

CHOCTAWHATCHEE DISTRICT BOY SCOUTS DESERVE A PLUS

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, I am highly impressed with an unusual plan of action begun by the Choctawhatchee District of Boy Scouts of America. They have undertaken a reforestation program in the half-million-acre Eglin AFB Reservation. This is the kind of program which can provide useful activity for scout troops nationwide. There are 23 Boy Scout troops engaged in the reforestation project.

It was begun 3 months ago when a 150-acre tract was selected for the program. The scouts are planting seedlings after clearing selected areas. They are thinning and pruning trees as needed and they will provide an annual caretaker operation. Their projects may also include erosion control, wildlife, nature trails, pioneering projects, and meeting sites.

The significant thing is that by harnessing the "boy power" of America through scouts and other groups, these lands can become havens for wildlife, a source of timber, and return to our Nation the bounty which so often is stripped from public lands.

Congratulations to the Choctawhatchee District Scouts. We are very proud of this "boy-power" in action and of the fact that Florida scouts are providing leadership in what can be an important national program.

Nat Fields is the Choctawhatchee district executive and Paul L. Gray is unit commissioner. Their leadership deserves commendation.

RESULT OF REOPENING THE SUEZ CANAL

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, Lt. Gen. Ira C. Eaker, well known to the Congress for his great contributions during World War II, has portrayed the effects of the real end of the Suez Canal in his article which appeared in The World Wars Officer Review for March–April 1974. The Review is the official publication of the Military Order of the World Wars. I submit it for reprinting in the RECORD.

RESULT OF REOPENING THE SUEZ CANAL

If the Arab-Israeli truce and disengagement proceed on schedule, the Suez Canal will probably be reopened late this year. In fact, this may be the second most important result from the aftermath to that conflict, ranking only after the Arab oil embargo in its long-ranged, world-wide significance.

It is therefore essential to examine the probable results of that event, and its influence upon the power balance between East and West. It is likely to have dramatic international results both economically and militarily.

The Suez Canal, formerly the most important man-made roadway in sea commerce, has been closed since the Six-Day Arab-Israeli War in 1967. The principal former international users of that waterway have adjusted to its non-availability. The economy of the Free World nations have survived and expanded during this period. Larger tankers were built so that the long haul around the Cape of Good Hope did not greatly increase the price of Mid-East oil to the NATO countries. These tankers, due to their size and draft, cannot negotiate the Suez Canal, but most continue to make the longer voyage.

The European nations which had extensive military and economic commitments "East of Suez" prior to World War II, principally Britain, France and Holland, no longer have extensive military and naval forces in those areas and their commerce with Mideast and Far Eastern countries has greatly depreciated.

The nuclear powered, super carriers of the U.S. fleet cannot use the Suez Canal due to their size and draft. The canal is no longer essential or material to the economic well being or application of military influence and power to the Western World.

The USSR, on the other hand, will derive the principal benefit from the reopened Suez Canal. This will permit the growing Soviet Navy to complete its dominance in the Middle East and to extend its naval power into the Indian Ocean.

It is significant that all the ships of the growing Soviet fleet can negotiate the Suez Canal. The Soviet Mediterranean and Black Sea fleets will find their routes to India, for example, decreased by 7,000 miles.

The Russian fleet can now rapidly achieve the superiority in the Middle East and Indian Ocean which it has recently achieved in the Mediterranean Sea.

The few remaining nations in Africa and the Middle East neutral or friendly to the West can be surrounded and isolated and forced for their survival to make an accommodation with the USSR.

Economic gains in these areas for the USSR will quickly follow inevitably. Russia is building a vast merchant marine which can operate more economically than can the merchant fleet of any Western nation, due to lower labor and fuel costs.

Russian influence on the developing nations in Africa and Asia can become dominant. NATO nations, faced with grave economic depression due to the Arab oil embargo and 470% increase in petroleum prices, can scarcely continue to aid these poverty stricken countries. The USSR and her Arab allies will be able and eager to supply this deficit and in dollars, pounds, marks, francs and lira, the result of the increased price of oil to NATO nations, estimated at $25 billion annually. With all or most of their foreign aid coming from nations under Soviet influence, all these new, excolonial nations will reluctantly, be drawn into the communist camp.

The U.S. furnished the technical management and much of the cost of clearing the Suez Canal when it was closed by Egypt's dictator, Gamal Nasser. There have been suggestions that the U.S. again participate financially in reopening it. It is not in our national interest to support or speed its availability

Secretary of State Kissinger has been remarkably successful as the catalyst between the Arabs and Israelis in the cease-fire and peace negotiations to date. It will take equally skillful diplomacy to avoid the disaster to the Western World which could flow from a reopened Suez Canal.

PANAMA CITY CITIZENS SCORE AN OUTSTANDING FIRST

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, the Military Affairs Committee of the Chamber of Commerce of Panama City, Fla., has long been known for its outstanding support of the Air Force and of Tyndall Air Force Base located nearby. The work of this committee has helped to bring about superior base-community relations.

Recently a group of these men scored an outstanding first in orientation tours by demonstrating beyond a doubt their sincere appreciation for the military community which they consider a real part of Panama City and Bay County.

On Tuesday morning, May 26, a group of 25 business leaders, all members of the military affairs committee, departed on commercial airlines for a 4-day tour of North American Air Defense Command facilities at Colorado Springs, Colo. Fuel limitations and economy measures have caused the military to forego goodwill tours frequently scheduled for community leaders. That did not deter the Panama City group. Each member of the tour group paid all his expenses incurred on this visit. This is the first known time a group of civic leaders from any city has purchased commercial tickets and paid all their expenses for such a tour.

A spokesman for the military affairs committee said the visit was planned to demonstrate the community's real interest in ADC and the military and to show community support of the Air Force and especially the local command. He said:

ADC and NORAD commanders have changed, and mission requirements have been upgraded and also changed. The interest of the people of Panama City in Tyndall and in the Air Force has not diminished. We believe in both and we support the de-

fense of our nation. We feel that the orientation tours have possessed real value for both the citizens of the local community and the military. Consequently, we have sought to continue to show the real desire of this community to be part of the Tyndall community; our desire to encourage the continued growth of Tyndall AFB; and to foster the person-to-person relationship that has existed these many years between the community and Tyndall.

While in Colorado Springs the group visited the NORAD command headquarters complex under Cheyenne Mountain. They toured the Air Force Academy and were given extensive briefings on NORAD and the Aerospace Defense Command missions and plans for the future. They also had the opportunity to visit with Gen. Lucius D. Clay, Jr., NORAD–ADC commander.

As a social part of the visit, the Panama City group hosted a reception in honor of General Clay and approximately 50 members of his staff.

Panama Citians making the trip were met at Colorado Springs by Brig. Gen. Carl D. Peterson, commander of the Air Defense Weapons Center at Tyndall Air Force Base and his director of public affairs, Mr. Hank Basham.

The businessmen and committee members making this trip were M. G. Nelson, Deck Hull, John McMullen, T. Woodie Smith, Pat Patrick, Rowe Sudduth, Jim Rider, Roy Blackburn, R. F. Barnard, Gene Bazemore, James Bradshaw, John Hutt, Sr., John Hutt, Jr., Bill Teets, Joe Alderman, Keith Jordan, Tommy Cooley, Bill Parrish, J. O. Blackburn, Jimmy Hentz, Dr. Horton Lisenby, H. B. James, Richard Neves, L. D. Cowart, and Bobby Kirkland.

It was the feeling of all that this visit was a significant contribution toward making people aware that Panama City truly supports the Air Defense Weapons Center at Tyndall Air Force Base, the U.S. Air Force, and the Department of Defense in carrying out the national defense mission.

THE MINERAL CRISIS

(Mr. MILLER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MILLER. Mr. Speaker, the American people have been made more aware in the past 6 months of the hardships we face when we begin to run out of a vital resource or are cut off from our supply. Today I have introduced legislation that will alleviate this problem.

The mineral crisis that is beginning to hit this country is a problem that will become worse with each succeeding generation. At the present time the United States imports 93 percent of its manganese needs, 92 percent of its cobalt, 81 percent of its aluminum, 75 percent for tin and 71 percent of our nickel needs. This is only a partial list of critical raw materials that this country has to import. As we continue to deplete what reserves are left within our boundaries, our dependence on foreign sources will become even more pronounced. While inferior substitutes may be found for some of these minerals, it will take many years of research and huge sums of money before alternative minerals can be used by industry.

In the interim, we must insure that American industry and our national economy are not crippled by lack of the necessary raw materials. Our Nation has been awakened in the past 6 months by the sting of the Middle East oil embargo. Our children and our grandchildren will feel this pain even worse if we allow ourselves to become increasingly dependent on the good will of foreign countries to supply us with vital resources.

At the same time that the United States is running out of these vital raw materials, we continue to send massive amounts of foreign aid to those countries which have these undeveloped minerals. Since the end of World War II, foreign aid has cost the American taxpayer over $250 billion. We have received nothing in return. Foreign aid has not made the rest of the world love us. In fact, some of our major adversaries have been heavily subsidized by the American taxpayer. Our generosity has been returned with ingratitude more often than with thanks. At the same time, these recipients of our aid are sitting on top of very large deposits of unexploited mineral wealth. As more and more countries of the world begin to industrialize, our aid often contributes, directly or indirectly, to subsidizing the competition for these minerals. It is time the American people began to receive something back for their foreign aid. It is time we realized our own resource barrel is not bottomless. It is time other nations of the world realize that our unrewarded generosity has its limits.

The legislation that I have introduced today will help defuse this ticking time-bomb. The bill will allow the United States to barter its foreign aid for strategic or critical raw materials which are depleted, in short supply, or not produced in this country. There is no reason why we should not use this concept today with our foreign aid. America is running out of raw materials. We continue to send millions abroad in aid. It is time to solve our shortages by obtaining minerals in return for our foreign aid. The legislation introduced today will provide the vehicle to achieve that goal.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MORGAN (at the request of Mr. O'NEILL), for today, on account of official business.

Mr. FRELINGHUYSEN (at the request of Mr. RHODES), the week of April 8, on account of official business.

Mr. MCEWEN (at the request of Mr. RHODES), for the week of April 18, 1974, on account of official committee business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PASSMAN, for 30 minutes, on April 9.

Mr. BAFALIS and Mr. ARMSTRONG (at the request of Mr. BAFALIS) to change the date of special orders for 1 hour each from April 8 to May 8, 1974.

(The following Members (at the request of Mr. MALLARY) to revise and extend their remarks and to include extraneous matter:)

Mr. STEELMAN, for 5 minutes, today.
Mr. GOLDWATER, for 5 minutes, today.
Mr. MILLER, for 30 minutes, today.
Mr HOGAN, for 60 minutes, today.
Ms. HANSEN of Idaho, for 5 minutes, today.

(The following Members (at the request of Mr. MEZVINSKY) to revise and extend their remarks and include extraneous matter:)

Mr. YATRON, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. HARRINGTON, for 5 minutes, today.
Mr. STOKES, for 60 minutes, today.
Mr. CONYERS, for 60 minutes, today.
Mr. VANIK, for 5 minutes, today.
Ms. HOLTZMAN, for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. MADDEN to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. MALLARY) and to include extraneous material:)

Mr. RONCALLO of New York.
Mr. CONTE.
Mr. DON H. CLAUSEN.
Mr. MINSHALL of Ohio.
Mr. SCHNEEBELI.
Mr. HOSMER in two instances.
Mr. HOGAN in two instances.
Mr. MICHEL in five instances.
Mr. HEINZ.
Mr. SPENCE.
Mrs. HECKLER of Massachusetts.
Mr. PRITCHARD.
Mr. HUDNUT.
Mr. BAUMAN in two instances.
Mr. HUNT.
Mr. STEIGER of Wisconsin.
Mr. WHALEN.

The following Members (at the request of Mr. MEZVINSKY) and to include extraneous material:)

Mr. ANNUNZIO in six instances.
Mr. TEAGUE in 10 instances.
Mr. SISK.
Mr. MATHIS of Georgia.
Mr. EDWARDS of California.
Mr. RARICK in three instances.
Mr. GONZALEZ in three instances.
Mr. SYMINGTON.
Mr. STOKES in five instances.
Mr. HUNGATE.
Mr. LITTON.
Mr. GIBBONS.
Mr. JONES of Tennessee in 10 instances.
Mr. RODINO in two instances.
Mr. HARRINGTON.
Mr. JAMES V. STANTON.
Mr. BURKE of Massachusetts.
Mr. REES.
Mr. EILBERG in 10 instances.
Mr. ZABLOCKI in two instances.
Mr. HANNA in four instances.
Mr. BINGHAM in 10 instances.
Mr. MAZZOLI.

Mr. CARNEY of Ohio in two instances.
Mr. WALDIE.

ENROLLED BILLS SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 12253. An act to make certain appropriations available for obligation and expenditure until June 30, 1975, and for other purposes; and

H.R. 12627. An act to authorize and direct the Secretary of the Department under which the U.S. Coast Guard is operating to cause the vessel *Miss Keku*, owned by Clarence Jackson of Juneau, Alaska, to be documented as a vessel of the United States so as to be entitled to engage in the American fisheries.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on April 5, 1974, present to the President, for his approval a bill of the House of the following title:

H.R. 6186. An act to amend the District of Columbia Revenue Act of 1947 regarding taxability of dividends received by a corporation from insurance companies, banks, and other savings institutions.

ADJOURNMENT

Mr. MEZVINSKY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; whereupon (at 4 o'clock and 45 minutes p.m.), the House adjourned until tomorrow, Tuesday, April 9, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2151. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements other than treaties entered into by the United States, pursuant to Public Law 92-403; to the Committee on Foreign Affairs.

2152. A letter from the President, American Academy of Arts and Letters, transmitting the annual report of the Academy, pursuant to section 4 of its charter; to the Committee on House Administration.

2153. A letter from the Secretary, National Institute of Arts and Letters, transmitting the annual report of the institute, pursuant to section 4 of its charter; to the Committee on House Administration.

2154. A letter from the Deputy Assistant Secretary of Interior, transmitting a description of a project selected for funding through a grant arrangement with Colorado State University under the Water Resources Research Act of 1964, pursuant to section 200(b) of the act [42 U.S.C. 1961b(b)]; to the Committee on Interior and Insular Affairs.

2155. A letter from the Acting Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend and transfer to the Department of Health, Education, and Welfare, the Native American program established under the Economic Opportunity Act of 1964; to the Committee on Interior and Insular Affairs.

2156. A letter from the Chairman, Federal Power Commission, transmitting a copy of the publication entitled "Typical Electric Bills, 1973"; to the Committee on Interstate and Foreign Commerce.

2157. A letter from the Director, Office of Telecommunications Policy, Executive Office of the President, transmitting a draft of proposed legislation to amend certain provisions of the Communications Satellite Act of 1962, as amended; to the Committee on Interstate and Foreign Commerce.

2158. A letter from the Administrator of General Services, transmitting a prospectus proposing the construction of a Federal Office Building at Pittsfield, Mass., pursuant to 40 U.S.C. 606; to the Committee on Public Works.

2159. A letter from the Administrator of General Services transmitting a prospectus proposing the acquisition by lease of space for the Department of Health, Education, and Welfare in Dallas, Tex., pursuant to 40 U.S.C. 606; to the Committee on Public Works.

2160. A letter from the Administrator of General Services, transmitting a request for the withdrawal of a previously approved prospectus proposing the construction of a Child Research Center for the National Institutes of Health at Bethesda, Md.; to the Committee on Public Works.

2161. A letter from the Chairman, Board of Trustees, John F. Kennedy Center for the Performing Arts, transmitting the annual reports of the Center for fiscal years 1970, 1971, 1972, and 1973, pursuant to 72 Stat. 1700; to the Committee on Public Works.

2162. A letter for the Secretary of Commerce, transmitting a draft of proposed legislation to amend title 5, United States Code, to authorize the withholding of trust territory income taxes of Federal employees; to the Committee on Ways and Means.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BINGHAM:

H.R. 14014. A bill to authorize assistance for the resettlement of refugees from the Union of Soviet Socialist Republics; to the Committee on Foreign Affairs.

By Mr. BROWN of California:

H.R. 14015. A bill to amend title V of the Housing and Urban Development Act of 1970 to establish a demonstration program aimed at developing techniques and structures of neighborhood and district subunits of general local Government which achieve partnership between citizens and public officials; to the Committee on Banking and Currency.

By Mr. BURLESON of Texas:

H.R. 14016. A bill to amend the Internal Revenue Code of 1954 to provide for the treatment of dividends received by a member of an affiliated group from a subsidiary that is excluded from the group solely because such subsidiary is a life insurance company; to the Committee on Ways and Means.

By Mr. BURLESON of Texas (for himself, Mr. MARAZITI, and Mr. RONCALLO of New York):

H.R. 14017. A bill to amend the Internal Revenue Code of 1954 and the Social Security Act to provide a comprehensive program of health care by strengthening the organization and delivery of health care nationwide and by making comprehensive health care insurance (including coverage for medical catastrophes) available to all Americans, and for other purposes; to the Committee on Ways and Means.

By Mr. FISH:

H.R. 14018. A bill to amend certain provisions of Federal law relating to explosives; to the Committee on the Judiciary.

By Mr. FRENZEL (for himself, Ms. ABZUG, Mr. ASHLEY, Mr. BROWN of Michigan, Mr. CLEVELAND, Mr. COHEN, Mr. CONTE, Mr. COTTER, Mr. COUGHLIN, Mr. CRONIN, Mr. GILMAN, Mr. HANLEY, Mr. KOCH, Mr. MCKINNEY, Mr. MOAKLEY, Mr. ROE, Mr. STEIGER of Wisconsin, and Mr. WILLIAMS):

H.R. 14019. A bill to improve the quality, reliability, and usefulness of data on urban mass transportation systems and on other urban transport operations, systems, and services; to the Committee on Banking and Currency.

By GINN:

H.R. 14020. A bill to amend the Small Business Act to provide loans for making payments on mortgages to small businesses adversely affected by the energy crisis; to the Committee on Banking and Currency.

By Mr. GREEN of Pennsylvania:

H.R. 14021. A bill to raise needed revenues by taxing oil, gas, and mineral producers on the same basis as other taxpayers, thereby simplifying the Internal Revenue Code, increasing tax equity, and allowing free market forces to determine the distribution of investment capital; to the Committee on Ways and Means.

By Mr. HOGAN (for himself, Mr. BRASCO, Mr. BROYHILL of Virginia, Mr. DE LUGO, Mr. DOWNING, Mr. FAUNTROY, Mr. GOLDWATER, Mrs. HOLT, Mr. PARRIS, Mr. SHOUP, Mr. TIERNAN, Mr. VAN DEERLIN, Mr. WHITEHURST, and Mr. WON PAT):

H.R. 14022. A bill to direct the Secretary of Transportation to make a comprehensive study of a high-speed ground transportation system between Washington, District of Columbia, and Annapolis, Md., and a high-speed marine vessel transportation system between the Baltimore-Annapolis area in Maryland and the Yorktown-Williamsburg-Norfolk area in Virginia, and to authorize the construction of such system if such study demonstrates their feasibility; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. EDWARDS of California, and Mr. RIEGLE):

H.R. 14023. A bill to provide that members of the Armed Forces may be separated or discharged from active service only by an honorable discharge, a general discharge, or discharge by court martial, and for other purposes; to the Committee on Armed Services.

By Mr. RODINO:

H.R. 14024. A bill to authorize two additional judgeships for the Court of Appeals, for the Ninth Circuit; to the Committee on the Judiciary.

H.R. 14025. A bill to provide an additional permanent district judgeship in Puerto Rico; to the Committee on the Judiciary.

H.R. 14026. A bill to protect Federal mine inspectors in the performance of their official responsibilities; to the Committee on the Judiciary.

H.R. 14027. A bill to amend the Jury Selection and Service Act of 1968, as amended, by revising the section on fees of jurors; to the Committee on the Judiciary.

By Mr. ROYBAL:

H.R. 14028. A bill to terminate the Airlines Mutual Aid Agreement; to the Committee on Interstate and Foreign Commerce.

By Mr. SARASIN:

H.R. 14029. A bill to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War

I and pension to the widows of such veterans; to the Committee on Veterans' Affairs.

By Mrs. SCHROEDER:

H.R. 14030. A bill to terminate the Airlines Mutual Aid Agreement; to the Committee on Interstate and Foreign Commerce.

By Mr. STEELMAN:

H.R. 14031. A bill to amend section 552 of title 5, United States Code (known as the Freedom of Information Act), to provide for the award of court costs and reasonable attorneys' fees to successful complainants that seek certain Federal agency information; to the Committee on Government Operations.

H.R. 14032. A bill to amend section 552 of title 5, United States Code (known as the Freedom of Information Act), to provide for increased public access to certain Federal agency records; to the Committee on Government Operations.

H.R. 14033. A bill to amend section 552 of title 5, United States Code (known as the Freedom of Information Act), to require Federal agencies to respond to requests for certain information no later than 15 days after the receipt of each such request; to the Committee on Government Operations.

H.R. 14034. A bill to amend section 552 of title 5, United States Code (known as the Freedom of Information Act), to provide for an in-camera inspection by the appropriate court of certain agency records; to the Committee on Government Operations.

H.R. 14035. A bill to amend section 552 of title 5, United States Code (known as the Freedom of Information Act) to specify those matters which in the interest of the national defense may be withheld from public disclosure by a Federal agency; to the Committee on Government Operations.

H.R. 14036. A bill to provide standards of fair personal information practices; to the Committee on the Judiciary.

H.R. 14037. A bill to amend the Social Security Act to prohibit the disclosure of an individual's social security number or related records for any purpose without his consent unless specifically required by law, and to provide that (unless so required) no individual may be compelled to disclose or furnish his social security number for any purpose not directly related to the operation of the old-age, survivors, and disability insurance program; to the Committee on Ways and Means.

By Mr. TEAGUE (for himself, Mr. CAMP, Mr. COTTER, and Mr. MARTIN of North Carolina):

H.R. 14038. A bill to authorize appropriations for activities of the National Science Foundation, and for other purposes; to the Committee on Science and Astronautics.

By Mr. TEAGUE (for himself, Mr. MILFORD, Mr. THORNTON, Mr. GUNTER, and Mr. PICKLE):

H.R. 14039. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; to the Committee on Science and Astronautics.

By Mr. WINN:

H.R. 14040. A bill to designate the birthday of Susan B. Anthony as a legal public holiday; to the Committee on the Judiciary.

By Mr. MILLER (for himself, Mr. SPENCE, Mr. WAGGONNER, Mr. COLLINS of Texas, Mr. MARTIN of North Carolina, Mr. KETCHUM, Mr. TREEN, Mr. PODELL, Mr. FISH, Mr. DUNCAN, Mr. LONG of Maryland, Mr. VEYSEY, Mr. YATRON, Mr. STEIGER of Arizona, Mr. DERWINSKI, Mr. RIEGLE, Mr. MCSPADDEN, Mr. GUNTER, Mr. WARE, Mr. KEMP, Mr. LOTT, Mr. MOLLOHAN, Mr. REGULA, Mrs. COLLINS of Illinois, and Mr. HUNGATE):

H.R. 14041. A bill to authorize the provision of assistance to foreign countries in exchange for strategic or critical raw materials; to the Committee on Foreign Affairs.

By Mr. O'BRIEN (by request):

H.R.14042. A bill to provide for the regulation of oil companies; to the Committee on the Judiciary.

By Mr. PARRIS:

H.R. 14043. A bill to convey to the city of Alexandria, Va., certain lands of the United States, and for other purposes; to the Committee on the District of Columbia.

By Mr. HOWARD (for himself, Mr. ANDREWS of North Carolina, Mr. ARCHER, Mr. BROWN of Michigan, Mr. DAVIS of Georgia, Mr. DENT, Mr. DULSKI, Mr. FASCELL, Mr. FROEHLICH, Mr. FULTON, Mr. GINN, Mr. HARRINGTON, Mr. HICKS, Mr. HOGAN, Mr. ICHORD, Mr. JOHNSON of California, Mr. KEMP, Mr. MCSPADDEN, Mr. MURPHY of New York, Mr. PATTEN, Mr. QUILLEN, Mr. RHODES, Mr. ROBINSON of Virginia, Mr. THOMPSON of New Jersey, and Mr. BOB WILSON):

H.J. Res. 969. Joint resolution to authorize the President to issue a proclamation designating the month of May 1974, as National Arthritis Month; to the Committee on the Judiciary.

By Mr. PEYSER:

H.J. Res. 970. Joint resolution to authorize the President to issue a proclamation designating the month of May 1974, as National Arthritis Month; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

412. By the SPEAKER: Memorial of the Legislature of the Commonwealth of Pennsylvania, relative to continuation of the Department of Agriculture's commodity purchase program; to the Committee on Agriculture.

413. Also, memorial of the Legislature of the Territory of Guam, relative to military housing on Guam; to the Committee on Armed Services.

414. Also, memorial of the House of Representatives of the Commonwealth of Massachusetts, relative to apartheid; to the Committee on Foreign Affairs.

415. Also, memorial of the Legislature of the Trust Territory of the Pacific Islands, relative to funding of the Bikini rehabilitation project; to the Committee on Interior and Insular Affairs.

416. Also, memorial of the Legislature of the State of California, relative to population estimation; to the Committee on Post Office and Civil Service.

417. Also, memorial of the Legislature of the State of Oklahoma, relative to water pollution control; to the Committee on Public Works.

418. Also, a memorial of the Legislature of the Commonwealth of Massachusetts, relative for overseas investment; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause I of rule XXII,

Mr. WHITEHURST introduced a bill (H.R. 14044) for the relief of Comdr. Stanley W. Birch, Jr., to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause I of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

418. By the SPEAKER: Petition of Asuemu U. Fuimaono, Delegate-at-Large of American Samoa, Washington, D.C., relative to an alleged violation of the Hatch Political Activities Act by the Governor of American Samoa; to the Committee on House Administration.

419. Also, petition of the board of supervisors, Sacramento County, Calif., relative to rail passenger service through Sacramento; to the Committee on Interstate and Foreign Commerce.

420. Also, petition of the city Council, Geronimo, Okla., relative to recreation opportunities in the Wichita Mountains; to the Committee on Merchant Marine and Fisheries.

EXTENSIONS OF REMARKS

JUDGE JAMES HARVEY

HON. ROBERT P. GRIFFIN

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Monday, April 8, 1974

Mr. GRIFFIN. Mr. President, in Saginaw, Mich., on February 1, 1974, Representative James Harvey, who since 1960 had served Michigan's Eighth Congressional District so ably, took the oath of office was installed as a U.S. district judge for the Eastern District of Michigan.

Following the ceremony there was a luncheon at which Cornelius J. Peck, distinguished professor of law and currently a visiting faculty member at the University of Michigan Law School, was the principal speaker.

Professor Peck, who has known Jim Harvey since boyhood days together in Iron Mountain, Mich., spoke of those qualities of warmth and understanding which Jim brings to the Federal bench. I ask unanimous consent that the text of his remarks be printed in the Extensions of Remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REMARKS BY PROF. CORNELIUS J. PECK

As I began thinking about what I would say at this occasion, I became a little angry—angry with people who have said on much lesser occasions that they were honored, etc. Today I have an opportunity to restore meaning to the phrase as it should be used when I say that I am honored—truly honored—to be able to speak to you on this occasion of the installation of Judge James Harvey in the position of judge of the United States District Court for the Eastern District of Michigan.

It is also a pleasure—and of this I should have no difficulty in convincing you—to be present at and take part in the ceremonies of the installation to a federal judgeship of a close friend with whom I attended high school in Iron Mountain, Michigan, more than thirty years ago.

Indeed, there is a great temptation to amuse you with a series of anecdotes from our youth, not all of which would at first impression seem consistent with the general

image of a somber deliberate judge. I said at first impression, because as I thought over events about which I might tell you, it became apparent that they would reveal an appreciation of humor, abundance of energy, and an eagerness to be an involved participant. These qualities ensure us that Jim Harvey will bring to his judgeship a humanity which will benefit those whose cases come before him.

Well, I shall not tell you any anecdotes of our youth, but I will tell you of my great pleasure in knowing Jim Harvey's parents. The pleasure for me was much enhanced by the fact that they were the first adults to speak to me as though I were, so-to-speak, a real person. By this I mean they were interested in me, in my views, and willing to discuss matters as fellow human beings. I mention this because I think it important to know that a judge comes from a family which by its example taught that respect was due even a young person and his ideas. I could tell you more—about all the wood that was split for the fires which burned so cheerfully in the Harvey fireplace during the winters—or about the old Buick which, when I last knew it, had gone over 110,000 miles in days and on roads on which many automobiles stopped functioning at half that mileage. I mention this because I believe that parents do so much to teach their children by example, and that Jim Harvey's parents were excellent teaching models for their children.

Jim Harvey and I did not go to the same college or the same law school. He went to the University of Michigan, entering in 1940 and receiving an L.L.B. in 1948. As those dates indicate his educational program was interrupted by three years service in the U.S. Air Force during World War II.

Although the paths of our lives separated, we have kept in touch with each other. As many of you probably know, Jim Harvey began the practice of law here in 1949. He served as assistant city attorney until 1953, as city councilman from 1955 to 1957, county supervisor from 1955 to 1957, and as mayor of Saginaw from 1957 to 1959. In 1960 he was elected to Congress from the Eighth District of Michigan, and has been returned to Congress by the people of that district in every election held since then.

One should not neglect the personal part of his life. Jim married June Collins in 1948, and they are the parents of Diane and Tom. I am sure that a rich family life has been a great source of the strength necessary to sustain Jim in the hectic world of politics.

This abbreviated biography should have convinced you that Jim Harvey is a very good man—a wonderful person. But what kind of judge will he be? Some of you may even be wondering whether it would not be better if he had had more trial experience thinking that we should elevate to the bench only the veterans of many courtroom battles. I do not mean to slight his substantial experience as a practitioner of law, but I prefer to give you assurances—indeed to lay the basis for congratulations on your great success by discussing the qualities of a good judge and the responsibilities which he must discharge.

In doing so before this audience in which there are so many practicing members of the bar, I will confess to some lack of confidence. I am after all a professor of law whose courtroom appearances ended almost 20 years ago. However, upon occasions like this I find strength in the reassurances given me a number of years ago by an older faculty colleague when I had some doubts about speaking to the Seattle-King County Bar Association on a very practical subject. He said to me, "Neil, don't worry about it. Just think about Catholic priests and how much advice they give about marriage." Though these reassurances might be weakened by the realization that in recent days some Catholic priests have taken up what we might call field research on this subject, I would like to discuss for you some of the responsibilities of judges—particularly trial judges.

At the outset, we should note the tremendous importance of trial judges in our judicial system. Newspapers, television and the law reviews devote most of their attention to the decisions of the United States Supreme Court. It is easy, particularly for non-lawyers, to assume that it is at the Supreme Court level that the important things happen. What happens elsewhere is by this view unimportant as demonstrated by how little attention the decisions of trial judges generally receive. Yet a moment's reflection will make apparent the obvious—that nothing the Supreme Court does or says can affect the lives of people unless the trial courts faithfully and impartially administer the legal principles announced by the Supreme Court and apply the interpretations which that Court gives to statutes. The most beautiful principle of justice announced by the Supreme Court is nothing unless it is followed and implemented by our trial judges.

Another common view is that trial judges have no significant role to play because they are bound by the rules announced by the appellate courts. According to this view trial judges are little more than unthinking automatons, programed to work in accordance with the rules laid down by their superiors.

Obviously, this is a mistaken view of the trial judge's role. The law is by no means so comprehensively stated that there is an existing answer for every substantive question which may arise—particularly in a society with rapidly changing ways of manufacturing, doing business, and styles of life. Undoubtedly, appellate judges have a larger share of cases of first impression than do trial judges. But such cases do come to trial judges and it is the alert and perceptive trial judge who can point out that there are no controlling precedents for the problem before him. Even when there are controlling precedents they may seem no longer to serve the interests of society. It is the trial judge's power to raise the question for reconsideration by writing an opinion which points out the conflict between the existing precedents and current needs of society. I think in this respect of the concurring opinion of the late Judge Jerome Frank in Roth v. United States in which he said that everything the Supreme Court had said made him believe that obscenity did not enjoy the protection of Free Speech. But he said if the case should go to the Supreme Court the appendix which he attached to his opinion might be of some value. There followed thirty some pages of what I believe is still one of the best analyses of the problem of reconciling control of obscenity with free speech.

The occasional power to make new law is but a small part of what makes the automaton view of a trial judge erroneous. That view is erroneous because so many of the important things which a trial judge does are not controlled by law. They are instead matters governed by the sound discretion of the trial judge.

For example, probably eighty or ninety percent of the criminal cases coming before a federal district judge are cases in which the defendant has pleaded guilty. In those cases the only important thing done by the judge is sentencing. And it may be the most important thing even in those cases in which there was a trial.

There is, of course, very little law and very much discretion in sentencing convicted criminals. To what extent should the sentence reflect the seriousness of the crime, to what extent should it serve to deter others from such conduct, to what extent should it deter the convicted criminal from repeating crime, to what extent should the sentence incapacitate the defendant by confinement, and to what extent is punishment necessary to deter the victim or relatives of the victim from retaliating for the wrong done. As I've said there is no law that governs a judge's decision as to which of these ends should be served, and at present there is no effective appellate review of sentences imposed. The responsibility of the trial judge is an awesome one—and one which makes it so important that a trial judge be a knowledgeable, wise and sensitive man familiar with both the ills and the strengths of our society.

Judge Harvey will have an assistance in sentencing which unfortunately does not exist in all other districts. In the Eastern District of Michigan a sentencing council, consisting of two other judges and probation officers, meets with the sentencing judge to assist him in determining what sentence to impose. The responsibility for decision remains that of the sentencing judge, but at least he does not have to exercise that great power without guidance from others familiar with the process.

The sentencing power, while dramatic, is not the only significant discretionary power exercised by a trial judge. The fact-finding process—which witnesses will be believed and which will not be credited—is a tremendous power not governed by legal rules which a trial judge exercises in those many cases tried without a jury. And as practicing lawyers know so well, it is usually the disputed facts and not the law which control decision.

Even in cases tried to a jury a trial judge has discretionary powers which have great significance in the fact-finding process. Is the expert witness qualified? Does the giving of an expert opinion invade the province of the jury? Has counsel exceeded permissible limits of cross examination? What questions perhaps designed to educate the jury will be permitted on voir dire? His interlocutory rulings do so much to frame the issues and develop the record of a case which may never be appealed, or if appealed found to contain no prejudicial error. And unlike most state court judges, a federal judge may give the jury the benefit of his views of the evidence and testimony of witnesses.

More examples of the vast discretionary powers of a trial judge could be given. But I hope my point has been made that a trial judge is not an automaton, but possesses great discretionary powers and that I may turn to other qualities of a judge.

Judges must avoid entanglement in many of the controversies of contemporary society to ensure impartiality if some aspect of that controversy should come before them judicially. The picture that sometimes takes hold is that of the judge who reads nothing but judicial opinions and statutes, who sees no dramas other than those in his courtroom, and who makes his wife conduct breakfast conversation in accordance with the rules of evidence. But such a man obviously is not fit to be a judge.

I am reminded at this point of the story of the bass player who played in the orchestra for the New York Opera a number of years ago before vacations and holidays were enjoyed by musicians. When he had played in the orchestra for twenty years he was given his first day off. His wife was unable to accompany him, but she waited eagerly for his return. When he did return she asked with excitement what he had done. She was stunned when he said he had gone to the opera. She was even more flabbergasted when she learned he had seen Carmen, noting he had played Carmen as much as twenty times a year or about 400 times during his service in the orchestra. He cut short her criticism and told her it had been a thrilling experience. He said, "You know that part that goes zum-zum, zum-zum? Well it really

doesn't. It goes" and then he sang for her the most familiar line of the most familiar aria of the opera.

That story has always had a poignancy for me. There are so many of us who live out our lives playing the zum-zum of the bass player. It is sad to miss so much of this big picture of human existence and human endeavor.

What is sad for the lives of some is a tragedy for both the man and society if a judge has only the limited view of a technician. Our society is pluralistic, to say the least. We have many experts and many specialists. Indeed, it is amazing that an economy and culture with such diversity can function in any coordinated view. Conflict is sure to arise and must be resolved if it is not to destroy us. Law is of course a great unifying force, binding together the diverse elements of society. The judges who administer that law must be generalists who have an overview of the forces working in our society.

So, Judge Harvey, while I do not discourage diligence in the reading of cases and treatises, I urge you to devote a substantial part of your time in exploration of the many fascinating things which exist and are developing in the non-legal world. You need not ignore the great issues of contemporary society, just do not align yourself with a party or partisan in those controversies. In short, though it may seem an overstatement, I think it well for a judge to set for himself the goal of becoming a Renaissance man. Of course, in saying this I do not mean that you should slight what professors write in law reviews. But my advice is probably redundant and totally unnecessary.

Other careers may prepare a man for a federal judgeship, but most certainly the experience gained by a congressman must be among the best of preparations. As a trial judge he will occasionally be called upon to make a resolution for a previously unsolved problem comparable to the political decisions he made as a legislator. More often he will only administer the compromises made by others—by Congress in enacting legislation or by the Supreme Court in giving a harmonizing reading to our Constitution and the fundamental interests it serves. His experiences as a legislator will no doubt assist him in arriving at an understanding of the law which he thus administers.

The office of judge is not an easy one. The tremendous power and the tremendous responsibility weigh heavily on a conscientious man. But I think it has a reward which I have come to appreciate in a comparable way as an academic.

When I first becme a teacher I carried with me some of the attitudes of an advocate. If I had taken a position, I tended to defend it from all challenges. In time, however, I came to recognize that I need not hold to arguments which were better abandoned and that to do so was not in furtherance of academic goals. I learned the great pleasure that comes from holding only for what one thinks is right and admitting error or uncertainty where it exists.

A federal trial judge can do much the same. He has no client to serve. He need not worry about being reelected or of offending powerful persons or interests capable of retaliating. He can in most things do what he believes is just, right and proper. For some things about which he is uncertain he can say so and leave it to the parties and the appellate courts to determine if he was wrong. Even in those matters governed by his discretion and not effectively subject to review, he may do what he believes best unconstrained by forces which make so many of us rationalize a justification for our action.

By this I do not mean to say that a judge or an academic can ever be totally impartial. Our thinking is necessarily affected by the values we hold. There is no scientifically objective way to derive values. They come to us through the many varied experiences of life, both intellectual and emotional. On this point, I find consolation and guidance in one of former Justice Goldberg's favorite sayings. Paraphrased, it is that to be truly impartial is an impossible dream; to be intellectually honest is an indispensible necessity.

Judge Harvey, I congratulate you on your installation as federal district judge, and I wish for you an interesting and rewarding professional life in this very responsible position. To the rest of you, and to the people of Michigan, I give my congratulations on the success and good fortune which has come to you through Judge Harvey's acceptance of this appointment.

BAN THE HANDGUN—XLI

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. BINGHAM. Mr. Speaker, the gun lobby's continued opposition to sane and sensible gun control legislation centers on three specious arguments. First, that the imposition of stiff jail terms would reduce handgun violence; second, that the States should be left to their own wiles to deal with the problem; and third, that the Constitution guarantees every man the right to turn his home into an arsenal. The reprinted editorial from the April 4 edition of the New York Times explodes these hypotheses and eloquently points out that no civilized society can justify the passivity of U.S. law in the face of the grim record compiled without Federal intervention:

[Editorial from the New York Times, Apr. 4, 1974]

GUNS AND SOCIETY

The appalling statistics of death and injury from illegally used firearms provides convincing support for Governor Wilson's call for stiffening the penalties for illegal possession of handguns and other weapons. The additional proposal that tougher penalties be imposed on any person illegally carrying a firearm on school property is amply justified by the growing threats to the safety of teachers and students.

No unilateral action by this or any other state, however, can turn the tide of violent gun abuse. The continued absence of effective Federal gun controls perpetuates a situation that has long made the United States the most trigger-unhappy Western nation. The 1968 statutes outlawing the import of foreign handguns—the so-called "Saturday night specials"—have been easily circumvented by importers of parts, which subsequently are put together on the assembly lines of domestic shops. Within four years after the 1968 import ban of complete hand guns, well over 4 million of these weapons were produced in the United States from imported parts. In the past decade the nation has suffered more than 95,000 gun-inflicted murders, along with 700,000 injuries and 800,000 cases of gun-armed robberies.

New York already has the strictest gun-control laws in the nation. Yet the lack of Federal regulation and lax law-enforcement stand in the way of any effective inroads against armed mayhem. Urgent appeals by concerned members of Congress and by such experts as the city's former Police Commissioner, Patrick V. Murphy, and the late F.B.I. director, J. Edgar Hoover, have been shouted down by misguided voices echoing the party line of the gun lobby.

Nonsense about "the right to bear arms," making a parody of the Constitution's intent, has beclouded the real issue—the safe, sensible control and registration of firearms. In the absence of such Federal legislation Americans will continue to kill themselves accidentally; they will keep on being murdered by armed criminals or by others who act under the impulse of maddened passion. No civilized society can justify the passivity of Federal law in the face of such a grim record.

DAYLIGHT SAVING TIME: AN APPEAL FOR REPEAL

HON. JERRY LITTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. LITTON. Mr. Speaker, I have introduced a bill to repeal the Emergency Daylight Saving Time Energy Conservation Act of 1973. My proposal, if implemented, would return us to standard time the last Sunday in October 1974.

On November 27, when the House by a vote of 388 to 80 passed H.R. 11324 in response to the President's November 7 energy message, Members of the House voting "yea" were swayed by the White House Office of Energy Policy projections that DST would probably result in a fuel savings of 3 percent. Preliminary reports do not substantiate these projections. Now, it would appear to have been a highly exaggerated estimate. The Federal Power Commission has indicated that there is only about a 0.2 percent saving of energy consumption from DST. This small amount is too negligible to offset the traumas DST during the winter months has created.

In retrospect, I think the House may well have acted hastily in voting a shift to year-round daylight saving time for a 2-year period. One year would be sufficient to determine whether enough energy would actually be conserved. Thus, a 1-year cutoff is what my bill proposes, and it has been introduced in response to a tremendous outcry from my constituents in the Sixth District of Missouri. In the rural areas of my district the consensus all along has been that while Members of Congress are empowered to change the clocks, we cannot change sunrise, sunset, or the tides. They are right, Mr. Speaker, we cannot, and there simply has to be a better way to encourage savings of energy. Daylight saving time during the winter months has served to bring about more hardship than any other proposal to save energy. I think it would be foolhardy to try to live with such an untenable measure throughout the winter of 1974.

Mr. Speaker, many Members of the House supported the emergency daylight saving time concept because they thought it might help convince the American people that the energy crisis was real and more of them would support conservation measures. I think most people now believe we do indeed have an energy crisis. There are differences of opinion on who caused it, how severe it

is, and how to solve it, of course. Further, some Members supported the bill because the language of the bill was such that States could get out from under the law by showing that energy was not being saved in their State. However, few Governors have requested that their State be exempt.

Mr. Speaker, I contend that whatever small savings in energy might be achieved by winter daylight savings time, the cost is too high, and the benefits are not commensurate. Many of my colleagues concur in this viewpoint, and feel, as I do, if the Congress has made a mistake, let us admit it and get on with other things.

CONGRESSMAN JEROME R. WALDIE MAKES PUBLIC HIS INCOME TAX RETURNS

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. WALDIE. Mr. Speaker, today, for the fifth time in as many years. I am placing my income tax returns, Federal and State, in the CONGRESSIONAL RECORD.

I do this to reaffirm my total commitment to full disclosure of assets and income by public officials and candidates for public office.

The recent furor engendered by the President's controversial tax returns has served to impress on the public its right to know if elected officials and candidates are paying the taxes they ought to; and, if those officials and candidates are observing the Federal and State tax laws the same as private citizens.

Mr. Speaker, in each of the last 5 years I have coupled making public my tax returns with a call on the Congress to impose regulations on candidates and officeholders, making it mandatory for them to make public not only their income tax returns, but the complete listing of financial assets and liabilities.

The public should know how an official is making his money and with whom he is investing that money so as to prevent any conflicts of interest.

I have complied fully with my own standards of disclosure as have some other Members of Congress and candidates for office.

Some, however, have not—probably because of the embarrassing fact that some candidates pay no income tax at all, despite the fact they are wealthy men.

This may be the hardest test of a candidacy and I encourage the subjecting of this test to all candidates for public office.

Mr. Speaker, for the tax year 1973 I paid a total of $8,684.54 in Federal taxes on an income of $45,815.45.

I paid $2,398.94 in California income taxes for the taxable year 1973.

Mr. Speaker, in February of this year I made public a compilation of my assets and liabilities. I would at this time like to add a summary of this report in the RECORD:

Assets:	
Real estate	$66,000.00
Savings	20,436.76
Insurance	14,739.00
Retirement (Federal and State)	25,092.18
Autos	1,500.00
Stocks	14,223.50
Total	141,991.44
Liabilities:	
Mortgage	24,467.00
Total	24,467.00
Net worth	117,524.44

CONCERN OVER THE PANAMA CANAL

HON. STANFORD E. PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. PARRIS. Mr. Speaker, with the Treaty of 1903, the Republic of Panama granted to the United States sovereignty in perpetuity over the Panama Canal Zone. However, presently we are faced with negotiations which ultimately threaten to relinquish U.S. control over the canal. With this in mind, I urge my fellow Congressmen to take notice of the following senate joint resolution of the Virginia General Assembly:

RESOLUTION

Whereas, in nineteen hundred and three, the United States of America was granted sovereignty over the Panama Canal Zone in perpetuity; and

Whereas, the Panama Canal is essential to the defense and national security of the United States of America; and

Whereas, the Panama Canal is of vital importance to the economy and interoceanic commerce of the United States of America and the remainder of the free world; and

Whereas, valuable exports from Virginia go through the Panama Canal to distant reaches of the globe; and

Whereas, under the sovereign control of the United States of America, the Panama Canal has provided uninterrupted peacetime transit to all nations; and

Whereas, the traditionally unstable nature of Panamanian politics and government poses an implicit threat to the security of the interests of the United States of America served by the Panama Canal; and

Whereas, the Republic of Panama possesses neither the technical and managerial expertise to effectively operate and maintain the Canal nor the capability to meet the growing demands placed upon the Canal; and

Whereas, the Canal represents a five billion dollar investment in the part of the people of the United States of America; now, therefore, be it

Resolved by the Senate, the House of Delegates concurring, That the General Assembly of Virginia requests that the Congress of the United States reject any encroachment upon the sovereignty of the United States of America over the Panama Canal and insist that the terms of the Hay-Bunau-Varilla Treaty of 1903 as subsequently amended be adhered to and retained; and

Be it further resolved, That the Clerk of the Senate send copies of this resolution to Richard M. Nixon, President of the United States; Gerald R. Ford, Vice President of the United States; Henry A. Kissinger, Secretary of State; Carl Albert, Speaker of the House; J. William Fulbright, Chairman, Senate Foreign Relations Committee; and to each member of the Virginia Delegation to the Congress of the United States.

STOP ARMING THE ARABS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. LEHMAN. Mr. Speaker, less than 1 month ago, the Arab oil states including Saudi Arabia and Kuwait were waging economic warfare against the United States by their embargo on oil shipments to our Nation.

I had proposed at the time that we should in turn halt U.S. exports of goods, materials, and technology to these countries until they decided to halt their irresponsible and aggressive actions. The adoption of this policy might have proven especially effective against both Saudi Arabia and Kuwait which are 100 percent dependent on imports for wheat and feed grains. Whatever our response was to be, the polls reported that the American people were overwhelmingly opposed to our yielding to Arab oil blackmail.

Within weeks of the ending of the embargo, we now hear that agreement has been reached with Saudi Arabia on a massive agreement for U.S. arms involving hundreds of warplanes and the most sophisticated American tanks.

At the same time we hear that Kuwait will soon send a military delegation to the United States to discuss American offers to sell them modern jet fighters and transport planes.

Were these deals a part of the price our Government agreed to pay for the end of the oil boycott?

Will such a price satisfy the Arabs? The Arab leaders still consider oil to be a useful weapon and have declared that they can lift or impose the embargo at any time they so choose.

How does sending warplanes to Saudi Arabia and Kuwait make sense in light of our Nation's support for Israel? Units of the armed forces in Saudi Arabia and Kuwait are stationed in Syria at this very moment, supporting the Syrian shelling of Israeli positions.

The Arab leaders have repeatedly insisted upon their freedom to use the weapons they purchase at any time and in any place they wish. Are we to send Saudi Arabia and Kuwait warplanes to use against Israel?

The American people made their position clear that December when Congress voted overwhelmingly in favor of emergency security assistance for Israel. The American people do not want us arming the Arabs.

A LESSON TO THE GOVERNMENT—FOR ALL IN THE COMMUNITY

HON. RON DE LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. DE LUGO. Mr. Speaker, in the RECORD of April 4, I praised a group of Charlotte Amalie High School students for their perseverance in combating the illegal concreting of a historic walk on St. Thomas.

In further acknowledgment of their success, community pride, and cultural sensitivity, I wish to bring to the attention of my colleagues an additional comment on these students:

[From the Virgin Islands Post, Mar. 27, 1974]

A LESSON TO THE GOVERNMENT—FOR ALL IN THE COMMUNITY

Several students at the Charlotte Amalie High School have taught the Government an object lesson in civics by forcing it to adhere to the law.

Through their perseverance the students made the Government admit its error and correct its mistake. Certain sections of the Government obviously had no intention of doing so and seemed to view the students' involvement as an intrusion on their prerogatives. But an appeal to the agency of the Government overlooked in the commission of the act contrary to law elicited a response that upheld the students' position.

The intent of the segments of Government originally involved—the Department of Public Works and the Governor's office—was not a malicious or subversive disobeyance of law. Nor we think in the later stages any attempt to antagonize or denigrate the students, but was rather a self-reliant ignoring of the students' legitimate complaint.

At the behest of members of the congregation of the Moravian Church, the Public Works Department proceeded to replace the disintegrating sidewalk on Norre Gade on the assumption that its condition endangered pedestrians. On that point they probably were right.

But art students at C.A.H.S. noted that the Public Works Department had no authority to alter the sidewalk. Concerned about the islands' cultural heritage they were aware that the sidewalk comprised part of the Historic District in Charlotte Amalie and that Planning Board's approval is required before any portion of the district can be changed.

The P.W.D. official responsible admitted to this newspaper that he was unaware of that law.

At the initial protestations of the students, the Administrator of St. Thomas attempted to mediate by explaining the necessity of the work, apparently giving the students' arguments about its illegal nature short shrift. Not yet disillusioned with the government's indifference to their position the students continued to press the issue finally appealing to the Planning Board who, they contended, should have been contacted in the first place. The Planning Board upheld their judgment and ordered P.W.D. to restore the original sidewalk as much as feasible.

The tenacity of the students throughout the episode is to be commended. It is graphic proof that the Government can be influenced by the average citizen if enough effort is applied.

In no society can it be reasonably expected that each citizen will have an equal voice in the determinations of the community, though that is the constant goal of democracy. What we can rationally hope to attain, however, is a society that excludes none from the decision-making process and is responsive to the legitimate aspirations of all.

This experience should illustrate that we all now possess these rights; well, that is, if we are both patient and energetic enough to achieve fulfillment.

The art students from C.A.H.S. were. We hope that indicates that many of their peers also maintain enough faith in the process of public decision-making that will persuade them to participate in its varied exercises.

This year we will tackle the most basic exercise of public decision-making as we elect our leaders. If this incident can be taken as any indication, young people may not fail to exercise their rights and responsibilities and may develop into a force with prodigious influence in the course of events in the Virgin Islands.

We certainly hope so anyway.

A COMMENTARY BY JOSEPH McCAFFREY

HON. LAWRENCE J. HOGAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. HOGAN. Mr. Speaker, now that the House has voted on the issue of racially balanced busing and it now rests before the Senate, I would like to insert a commentary by the veteran Capitol Hill correspondent, Mr. Joseph McCaffrey, pertaining to this issue:

A COMMENTARY BY JOSEPH MCCAFFREY

A news analysis in the New York Times leads off with the comment that there was considerable irony in the House two weeks ago barring long distance school busing. Inherent in this piece, which appeared last Saturday, is the suggestion that those in the North who oppose busing are hypocrites.

Well, that may be. But let's look at the record and I'll use myself as a witness.

I first saw, with shock and amazement, the use of busing when as a draftee I was stationed in Georgia. Later I saw it up very close in Alabama, Louisiana and Texas: young Negro children being bused past the school nearest them, sometimes taken for miles to a Black only school.

I thought it was wrong, morally and legally. When after World War II, I became a resident of Virginia I deeply felt this injustice and in 1954 I publicly endorsed the Supreme Court decision which ruled against separate but equal schools—a decision which was handed down 20 years ago the 17th of next month.

Today I still oppose young children being bused past the school which is nearest them. If this is hypocrisy, then my position of 30 years ago must have been hypocrisy.

When I was against busing back then I was called, with scorn, "pro-Negro" by many. Today my position, the same as it was 30 years ago, is called "anti-Black."

There is one conclusion to be reached. Either I and those who have always felt the way I do are crazy, or the rest of the world is crazy.

Looking around, I have a feeling the rest of the world has gone stark, raving mad.

CALLS FOR INVESTIGATION

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. LANDGREBE. Mr. Speaker, the headline on the following item would lead the general public to think that a majority of the Members of Congress both Senate and House had carefully studied the automobile industry and had found some very serious charges to level at them.

Actually, I was disgusted to find the entire report to be the concoction of one Bradford C. Snell, staff counsel on a Senate subcommittee, headed by no other than PHILIP A. HART, Democratic Senator, from the greatest automobile State in the whole world.

It seems to me, Mr. Speaker, that Congress is rapidly abdicating its responsibility more each day as we observe staff members acting individually or collectively to writing and influencing legislation, oftentimes, without the knowledge of the Members. Of course, most glaring, Mr. Speaker, is the behind-the-scenes maneuvering of many staffs and staff members in the persecution of President Nixon. Staff members might be fine dedicated individuals but their major advantage is that they do not have to face the voters every 2 years as you and I have to do.

Perhaps, at some point the voters will "wise up" and hold Members of Congress responsible for all actions of staffers whether directly on the Member's payroll or under his direction on standing committees.

In conclusion, Mr. Speaker, I feel that the following article authored by Jack Thomas is of such serious nature that I hereby call for a full and complete investigation of his charges by a responsible House committee composed of responsible Members of Congress:

CONGRESS RIPS U.S. AUTO FIRMS

(By Jack Thomas)

WASHINGTON.—A new congressional study says most of the annual style changes in U.S. autos create an illusion of progress.

The industry's Big Three, the report concludes, thus avoid technical improvements that could save lives, reduce injuries and property damage, lower maintenance costs, conserve gasoline and diminish pollution.

The six-month study was prepared by Bradford C. Snell, a staff counsel for the Senate anti-trust and monopoly subcommittee, headed by Sen. Philip A. Hart, D-Mich.

Snell said American auto technology is basically unchanged since 1940 and new ideas have been used only under government madate or pressure from imports.

Snell blames this on lack of competition and a desire to protect billions invested in the production of conventional vehicles.

His report was the most critical testimony in recent hearings on Hart's proposed Industrial Reorganization Act, which would set up a commission to recommend ways to break up giant corporations which dominate industry.

"General Motors, the industry leader, makes most decisions," wrote Snell.

"The Big Three (GM, Ford, Chrysler) interdependently price new cars and parts with the same anti-competitive impact as if they had acted in collusion . . .

"Safety belts, crash absorption bumpers and collapsible steering columns were already standard equipment on foreign cars when, largely at the government's behest, the Big Three began to install them."

Most American innovations were developed prior to 1940 by smaller auto firms or independent automotive suppliers, Snell said.

Duesenberg pioneered four-wheel brakes in 1920. Rubber engine mounts, which reduce noise and vibrations were introduced by Nash.

Reo introduced automatic transmission in 1934 and, in 1939, Packard offered the first auto air-conditioning.

Snell calculated that in 1972 consumers paid $1.6 billion, or $170 per car, for model changes the Big Three claimed were related to improvements in performance.

He cited the difference in expenditures for style changes and for emission control.

"For the five-year period 1967 to 1971, the Big Three spent $7.1 billion for annual restyling" he said.

"Their combined expenditures for emission control to reduce pollution amounted to $832.6 million, or less than 12 per cent of the amount spent on restyling."

"Energy-Conserving, low-emission electric and steam vehicles would help resolve the acute petroleum shortage and help reduce the $6.6 billion in damages annually attributable to motor vehicle pollution," said Snell.

"In addition, there is evidence that electric or steam vehicles can be produced and they would cost half as much to buy and even less to operate than conventional gasoline automobiles.

"The application of a known metallurgical process," he said, "could permit doubling the life of an automobile for an additional cost of $36 per year, resulting in an annual savings to consumers of more than $2 billion."

A recent Environmental Protection Agency (EPA) memorandum indicates catalytic converters may pollute the air with more dangerous poisons than they were supposed to eliminate.

A DISCUSSION OF ARGUMENTS IN FAVOR OF AMNESTY

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. ASHBROOK. Mr. Speaker, debate has been taking place on the subject of amnesty. Young Americans for Freedom—YAF—a nationwide organization, has been opposed to the unconditional granting of amnesty. Recently, Jerry Norton, a Vietnam veteran and a member of the National Board of Directors of YAF, testified before a subcommittee of the House Committee on the Judiciary. In his testimony he refuted the four basic arguments in favor of amnesty and presented a primary argument against amnesty.

At this point, I include in the RECORD the testimony:

Four arguments are most frequently offered in favor of amnesty. We of Young Americans for Freedom would like to refute those four arguments, then offer what we see as the primary argument *against* amnesty.

I. "THE WAR WAS IMMORAL"

While some amnesty proponents claim that the issue of the war's morality is irrelevant to the amnesty question, to others it is a principle consideration. They say all or most Americans now realize that the war was a mistake, that those who fled the country to avoid serving in the war were right, and that those who mistakenly supported the war should thus ask deserters and draft-dodgers for forgiveness, not vice-versa.

We tend to agree that this argument, right or wrong, should not be crucial to the amnesty question, yet we recognize that the public would probably interpret amnesty as an admission that U.S. policy in Vietnam was wrong.

For the record then, we want to note that North Vietnam and its Communist allies were responsible for the war. They attacked South Vietnam. They currently occupy a considerable portion of South Vietnamese territory which they use to continue their military and political campaigns. They have shown that the conflict was not "just a civil war" by their aggression against Laos and Cambodia. Their continued efforts to gain control of Indochina show that their attitude has not changed, and that the much decried "domino theory" was and is valid.

Nor was U.S. conduct of the war immoral. Even the December 1972 bombing of Hanoi, so intensely criticized by the opponents of the war, took only 1,318 lives, military and civilian, by the Communists' own count. That hardly squares with the atrocity charges made against the U.S. but it does match the U.S. description of the bombing as precision aimed at military targets.

In contrast, the Communists have consistently followed a policy of terror against civilians and of execution of political opponents. In one instance alone, the occupation of Hue in the Tet Offensive, they cold-bloodedly executed more than twice as many South Vietnamese civilians as all of the casualties inflicted in the so-called "saturation bombing" of Hanoi.

Thus, any argument that amnesty should be granted because America was on the wrong side in the Vietnam war, or used immoral tactics, should be rejected.

II. "SO MANY YOUNG MEN"

This pro-amnesty argument from numbers asserts that so many men deserted or dodged the draft that America simply cannot get along without them. As substantiation for this, the figure for total desertions during the Vietnam war is given.

Such statistical "evidence," however, fails to mention that more than 90% of that total returned to military control, usually of their own volition. Hence, in late 1972, only 32,557 of the 423,422 men who had deserted since mid-1966 were still at large.

The pro-amnesty people also like to depict all these men as motivated by their consciences and heart-felt objections to the Vietnamese war, when most are motivated by other factors such as family problems, individual difficulties with their units, simple dislike for the military life, or nothing more sinister than a decision to take an extended and unauthorized vacation. Such factors may explain why only 5% of deserters in foreign countries, according to the Department of Defense, have made political or anti-war statements.

It should also be noted that while amnesty propaganda speaks of many thousands of men "in exile" overseas, the Department of Defense knew in late 1972 of only 2,525 deserters abroad and the Department of Justice only 2,760 draft-dodgers abroad—and only another 1,700 draft-dodgers believed to be in the U.S.

Finally, while pro-amnesty propagandists discount the above statistics, saying many draft-dodgers were never indicted and claiming that as many as 40,000 to 100,000 linger in Canada, immigration statistics show that if every American male in the military age bracket who went to Canada to stay between January 1965 and January 1972 were assumed to be a draft-dodger or deserter, the grand total would still be less than 17,000.

III. "BRINGING THE COUNTRY TOGETHER"

A central pro-amnesty argument is that amnesty would heal the divisions left in the country by the Vietnam war. It seems equally plausible that amnesty would polarize the country more, not less.

For example, Americans have made heroes out of the former prisoners-of-war. Would the public, not to mention the P.O.W.'s themselves, greet returning draft-dodgers and deserters with adulation or contempt?

Similarly, there are millions of Vietnam veterans. Though war opponents among them have been vocal, few would argue that such radical groups represent more than a small minority of veterans.

As for the rest, would they not resent the return of those who avoided service while they risked their lives and while many still bear the scars and wounds of war? How will the relatives of those men react, especially the relatives of those who lost their lives? While there are no doubt exceptions in each category, it seems reasonable to assume that most would not willingly accept amnesty.

Polls of the public have consistently shown that Americans at large oppose universal amnesty, and especially oppose amnesty for deserters. Thus, how amnesty would "bring the country together" is hard to understand.

IV. "THE HISTORICAL PRECEDENT"

A favorite argument of pro-amnesty forces is that amnesty is in a great American tradition, that there have been many amnesties after American wars. Such an argument is without foundation; the pro-amnesty forces call for a universal amnesty which was never granted in the history of our nation.

During the Civil War President Lincoln on several occasions offered amnesty to Union deserters, but the amnesty was always conditional. The condition was usually that the deserters had to return to military duty and forfeit a certain amount of pay. That is considerably different from universal amnesty. There was no amnesty for those violating the draft laws.

Amnesty with exceptions was offered by Lincoln to Confederate soldiers, but that obviously has no parallels with the current situation. Confederate soldiers were just that, soldiers, not individuals, who refused to fight. They were part of the army Lincoln was trying to defeat, which made it in his government's interest to encourage them to desert and deplete the enemy's forces. The Confederates also had to take an oath of loyalty to the Union, an explicit admission that they had been wrong.

After the war President Johnson offered amnesty for Union deserters *who returned to their units to serve out their military duty.* There was no amnesty for draft law violators. There were various amnesties for *Confederate soldiers* (again note the lack of parallel with those who want amnesty today), but there was no complete amnesty even for them until 1898.

There was no amnesty after the Spanish American War.

Fifteen years after the end of World War I President Roosevelt pardoned 1,500 individuals who had been convicted, *and served their sentences*, of violations of the draft and espionage laws. President Coolidge granted amnesty to about 100 men who deserted their units *after the armistice*. Again, wartime deserters received neither pardons or amnesty.

After World War II President Truman set up an amnesty review board that looked at individual cases and pardoned 1,523 of 15,803 draft evaders. There was not even this very limited amnesty for deserters.

There was no amnesty after the Korean War. In December of 1952 President Truman granted amnesty for those who deserted between the end of World War II and the outbreak of the Korean War, *peacetime deserters*. Moreover, all had been *convicted* of deserting, which meant they had served some prison time.

V. THE ARGUMENT AGAINST

Having examined the main arguments for amnesty, and the problems with them, we turn to the main argument against it. To permit amnesty for those who refused service in Vietnam is to set a precedent that says, "If you think a law is immoral, break it, because you may very well find that society changes its mind, forgives you and doesn't punish you." More simply it says, "You were completely right to disobey the law."

As conservatives, we in Young Americans for Freedom believe in individual liberty, yet we are also aware that the very concept of government becomes meaningless if individuals are free to pick and choose those laws they will obey and those they will disobey. This is self-evident. While those who have decided that the Vietnam War was totally immoral and indefensible may brush this argument aside, I suggest they ask themselves if they so readily forgive a white racist who follows his conscience and blows up a black church? Or on a more mundane level, excuse those whose consciences told them a given government program was immoral and therefore refused to pay the taxes to support it? (In this case we as conservatives would be paying very few taxes indeed.) To permit this is to create government of whim, not law.

Amnesty would make a mockery of law and government. It is one thing to disobey a law because one feels it is immoral—one can conceive of circumstances where conservatives might do just that—but it is quite another to expect the society that made the law not to punish one for that disobedience. Martin Luther King, Thoreau and Gandhi expected to go to jail when they violated the law; their concept of civil disobedience was not that of those who request amnesty, nor could it be if we have to have an orderly rather than anarchic society. The choice is not between liberty and order, but between having both or neither.

CECIL KING

HON. B. F. SISK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. SISK. Mr. Speaker, it is with a profound sense of sadness that I join with my colleagues in mourning the passing of our beloved former dean of the California delegation, Cecil King.

As we know, Cecil passed away on March 23 in an Inglewood, Calif., hospital.

While there is little irony in death, there is a special tone of it here because Cecil, of course, was the coauthor of the medicare bill which now provides hospitalization and medical care for all persons over 65 who could not otherwise afford it.

This giant of compassion for others was first elected to the 77th Congress in 1942 and retired in 1968, and during the interim rendered invaluable service, not only to California, but the entire Nation.

As one who served with him during the greater part of his term I can truthfully say there is no one whose passing I shall deplore more greatly.

Mrs. Sisk and I render our heartfelt sympathy to his family and can only counsel that they can be truly proud forever of his achievements.

STUDENT RECORDS: A PROPOSED STRATEGY FOR PREVENTING ABUSES OF THE RIGHT TO PRIVACY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. KEMP. Mr. Speaker, at this point in the proceedings, I include the third part of the research paper, entitled, "Students, Parents and the School Record Prison: A Legal Strategy for Preventing Abuses," by Sarah C. Carey, attorney at law:

STUDENTS, PARENTS AND THE SCHOOL RECORD PRISON: A LEGAL STRATEGY FOR PREVENTING ABUSES—III

(c) *The Common Law*: Incorporated into the U.S. legal system are a series of basic traditions and customs dealing with the power of the states and the security of the person that were articulated initially in British legal writings and Court decisions. Unless subsequently modified by statute, these principles remain in effect today; and under rules of judicial interpretation, where a statute conflicts with a commor law rule, that statute must be construed narrowly. Since most of the basic common law tests of individual liberty have been incorporated into federal and state constitutional provisions, they are infrequently relied upon in judicial decisions;[30] however, they remain valid bases for the enforcement of personal rights.

A series of lower court decisions articulating parental rights based on common law principles are discussed below; they help to further elaborate the nature of the parent's right to control his child's education. Taken together, these cases suggest that even though the schools act "in loco parentis" they cannot replace the parent where he reserves areas of control.

For example, in *Morrow* v. *Wood* 35 Wis. 59, 17 Am. Rep. 471 (1874), the Court held that the teacher, knowing the father's wishes, could not compel the child to pursue study that was forbidden by the father. The Court found that the parent's desire not to have his child study geography because he wanted his son to pay more attention to arithmetic was possibly within the parent's right as long as it did not interfere with the general efficiency or conduct of the school. *Morrow* upheld the parent's right "to direct what studies, included in the prescribed courses, his child shall take." 35 Wis. at 64. (Based upon the above ruling, the case was reversed and remanded for a new trial.) In *Morrow*, the Court wrote:

"It seems to us a most unreasonable claim on the part of the teacher to say that the parent has not that right. . . . It seems to us it is idle to say the parent, by sending his child to school, impliedly clothes the teacher with that power, in a case where the parent expressly reserves the right to himself." (at 64–65).

Other State Courts have reached similar results, allowing the parent to withdraw his child from required courses, provided his request was reasonable[31] and did not interfere with the interests of other children. In *State ex rel Sheibley* v. *School District No. 1 of Dixon County et al.*, 31 Neb. 552, 48 N.W. 393 (1891) the Nebraska Supreme Court granted a parent the right to overrule high school regulations concerning curriculum on the grounds that a parent has a superior interest in the growth of his child. The Court pointed out that unlike the parent, who has an ongoing interest in the happiness of his child, the teacher has only a temporary interest in the child's welfare. The Court held: "The right of the parent . . . to determine what studies his child shall pursue is paramount to that of the trustees or teachers." at 395. In *Garvin County et al.* v. *Thompson et al.*, 24 Okl. 1, 103 P. 578 (1909) the Oklahoma Supreme Court created a presumption in favor of a parental request, (in that case the parent did not want his child to take singing lessons for religious reasons), relying again on the parent's greater concern for and knowledge of the child.[32]

One final common law-based decision granting a parent veto power over a school regulation deserves mention. In *Hardwick* v. *Board of School Trustees of Fruitridge School District*, 54 Cal. App. 696; 205 P 49 (1921), the District Court of Appeals in California held that a child could not be compelled against the wishes of his parents (based on religious principles) to attend dancing lessons required by school regulations. Touching only briefly on the religious question, the Court stated that the case involved "the right of parents to control their own children—to require them to live up to the teachings and the principles which are inculcated in them at home under the parental authority." 205 P. at 54. It acknowledged the greater interest and right of the parent to prepare the child for his future and concluded that that right must be valued by the school if reasonable and if not harmful to either the student or the society.

In its discussion of the relationship between the parent and child on the one hand and the school and state on the other, the Court raised issues of direct relevance to some of the current practices of educators that attempt to "treat" or counsel children for alleged psychological or other deficiencies where the treatment or its underlying assessment are in conflict with the parent's views. The Court's reasoning suggests that these practices may constitute undue interference with areas of parental prerogative. Specifically, the *Hardwick* Court questioned whether a law that interfered with the well-founded judgment of the parent would be valid, whether the state could take steps that would alienate the child from parental authority and asked, "may the parents thus be eliminated in any measure from consideration in the matter of the discipline and education of their children along lines looking to the building up of the personal character and the advancement of the personal welfare of the latter?" In answering its own questions it concluded that:[33]

"To answer said question in the affirmative would be to give sanction to a power over home life that might result in denying to parents their natural as well as their constitutional right to govern or control, within

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Footnotes at end of article.

the scope of just parental authority, their own progeny. Indeed, it would be distinctly revoluntionary and possibly subversive of that home life so essential to the safety and security of society and the government which regulates it, the very opposite effect of what the public school system is designed to accomplish, to hold that any such overreaching powers exist in the state or any of its agencies." (54 Cal. App. 696 at 701, 205 P. 49 at 54.)[34]

The common law decisions discussed above deal primarily with situations where a parent objects for religious reasons to enrollment of his child in a specific course.[35] In these cases the Courts have attempted to accommodate the interests of the individual parent without disrupting the general operations of the school. They provide strong support for the assertion of other parental preferences, particularly in areas that have to do with the spiritual or cultural[36] development of the child. Given current educational practices with their heavy reliance on behavioral and related assessments, the parents will face a difficult burden in demonstrating that his request is "reasonable" unless he has access to the data collected by the school on his child and an opportunity to present his own point of view. The exercise of his right of oversight becomes more difficult and attenuated when the challenged decision of the school is wrapped in professional jargon.

(2) *The Parent has a Right to Review His Child's Records Generally:* There are strong common law traditions and precedents granting the parent the right to review his child's records, unless the state has a law or formal regulation to the contrary. No state includes a statutory prohibition against the parent's reviewing his child's basic record; some states have restraints in regard to specific aspects of the record such as IQ assessments or results of psychological testing. Where prohibitions do exist it is more common for them to be based on practice (i.e. the discretion of local school officials) rather than law or regulation. These discretionary practices can probably be overcome by the assertion of the common law right of inspection.

The common law creates a strong presumption in favor of access to public records on the part of those who have an interest in or need to review the subject matter of the records. Although an exact definition of what constitutes a public record does not exist, it seems likely that, unless narrowed by statute, records maintained by a school including tests and assessments of academic or related performance are "public". Initially, need to review records was determined by whether the information-seeker needed the information to maintain or defend a lawsuit;[37] however, this has since been broadened to include an interest of the public in determining whether government officials are properly executing their duties.[38] The New York Supreme Court has applied this principle directly to school records, shaping it to fit the special relationship of parents to the schools.

In *Van Allen* v. *McCleary*, 27 Mis.2d 81; 211 NYS 2d 501 (1961), a parent who had been advised by certain school officials that his child was in need of psychological treatment, sought access to the findings of the school psychologist. The Court held that absent constitutional, legislative or administrative permission or prohibition, the parent has a common law right to inspect the school records of his child.

The *McCleary* Court found that despite compulsory school attendance laws, the parent retains the right to direct the overall education of his child, adding that to exercise this right and to discharge this duty the parent has to keep abreast of the child's development and advancement. It stated that the parent's rights "stem . . . from his relationship with school authorities as a parent who under compulsory education has delegated to them the educational authority over his child." The Court analogized the interest of the parent in his child's records to other interests that had already been recognized by the New York Courts under the common law principle: that of a patient to inspect his own hospital records; of a client to be given open and frank information by his attorney as to the state of his business; of a stockholder to inspect the records of his corporation, and of a member of a board of education to inspect records compiled by the superintendent of his own school district.[39]

The more recent common law cases dealing with record inspection suggest that a heavy burden will be placed on any public agency alleging that such review is either burdensome or inappropriate. This presumption of openness should apply to any situation where a parent needs underlying school data to make routine decision concerning his child.[40]

(3) *Where the School Makes a Decision that Threatens Deprivation of the Child's Legal Rights, the Parent is Entitled to Full Review of the Data that Formed the Basis for the Decision:* The cases discussed in sections (1) and (2) *supra* suggest lines of argument to support the right of a parent to obtain school records necessary for him to make or participate in basic decisions about his child's course of education. In addition to these lines of cases, more recent decisions rendered principally by the lower federal courts hold that where the child is denied access to public education altogether or is granted access on terms unequal to those provided other children, his parent has a right to challenge the school's decision. This right includes the opportunity to present the child's side of the story and to obtain full access to the underlying evidence that formed the basis for the school's action. Among the actions that have called forth procedural due process guarantees to date are exclusion or expulsion from school for a variety of reasons; assignment to special schools or special classes for students who are not meeting minimal standards; and tracking.

In 1961 the U.S. Court of Appeals for the Fifth Circuit, in *Dixon* v. *Alabama State Board of Education*, 294 F.2d 150 (5th Cir. 1961), held that students in good standing could not be expelled from a state supported college because of alleged misconduct without a hearing and an opportunity to challenge their accusers. The Court stated:

"Whenever a governmental body acts so as to injure an individual, the Constitution requires that the act be consonant with due process of law. The minimum procedural requirements necessary to satisfy due process depends upon the circumstances and the interests of the parties involved. 294 F. 2d at 155.

For the students in question, the Court found that the minimal requirements included a clear statement by the college of the specific charges against them, a hearing with both sides present, disclosure to the students of the names of the witnesses against them and the nature of their allegations, and an opportunity for the students to present their own witnesses and version of the facts.

Since the *Dixon* decision, the right to a hearing prior to expulsion has been recognized in a number of additional cases dealing with institutions of higher education; it has also been extended to high school students accused of violating various rules of conduct. Some cases premise the student's right to stay in school on state constitutional or statutory provisions that have been interpreted as guaranteeing a right to education; others simply assert the importance or fundamental nature of education without alluding to the source of the right. And others refer to denial of education as a state-imposed stigma.

In *Vought* v. *Van Buren Public Schools*, 306 F. Supp 1388 (E.D. Mich S.D. 1969), for example, the Court held that a student could not be expelled for possessing an obscene publication without having the right to be heard. The Court pointed out that Bellevue High School rarely expelled students and stated:

"It goes without saying, and needs no elaboration, that a record of expulsion from high school constitutes a lifetime stigma. It would seem that in taking an action of such drastic nature, the Board of Education would have been interested in providing plaintiff with the opportunity to offer his explanation of the circumstances *prior* to the actual expulsion by the Board." 306 F.Supp at 1393.

The Court ordered the school to conduct an adversary proceeding with the minimum safeguards enumerated in *Dixon*. Similar results were reached in *Williams* v. *Dade County School Board*, where the Court held that a conference held by the principal with the student and his parents to announce a decision to suspend did not satisfy due process. Relying on *Dixon* as precedent, the Court stated:

"We feel that a penalty of this magnitude ought not be imposed without proper notice of the charges, and at least an attempt to ascertain accurately the facts involved and to give the student an opportunity to present his side of the case." 441 F.2d 299 (5th Cir. 1971)[41]

FOOTNOTES

[30] For a discussion of common law and other non-constitutional bases for narrowing asserted school board authority, see *Goldstein*, "The Scope and Sources of School Board Authority to Regulate Student Conduct and Status: "A Non-constitutional Analysis, 177 U.Pa.L.Rev. 373 (1969).

[31] In *Crews* v. *Johnson et al.*, 46 Okl. 164, 148 P. 77 (1915), a parent's request that his child not be required to study grammar was held unreasonable.

[32] The Garvin County decision, like other decisions, quoted from Blackstone, the "Bible" of the Common Law. According to Blackstone parents have a duty "to their children" to give them "an education suitable to their station in life; a duty pointed out by reason, and of far the greatest importance of any. For, as Puffendorf very well observes, it is not easy to imagine or allow, that a parent has conferred any considerable benefit upon his child, by bringing him into the world; if he afterwards entirely neglects his culture and education, and suffers him to grow up like a mere beast, to lead a life useless to others, and shameful to himself." (*Commentaries on the Laws of England*, Sir William Blackstone, KT, Ed. William G. Hammond (Bancroft-Whitney Co., 1980)).

[33] Neither this nor other cases treat the situation where the family is so disintegrated as to preclude effective parental guidance of the child.

[34] Other decisions affirming a parental right of control include *Rulison et al.*, v. *Post* 79 Ill. 567 (1875); *Trustees of Schools* v. *The People ex rel. Markin Van Allen*, 87 Ill. 303 (1877); *State ex rel. Kelly* v. *Ferguson et al.*, 95 Neb. 63; 144 N.W. 1039 (1914). The parent's authority has also been discused (but not relied on) in cases, such as *State* v. *Zobel*, 81 S.D. 260; 134 N.W. 2d 101 (1965) dealing with child neglect and *Shepherd* v. *State*, 306 P.2d 346 (1957) dealing with an alleged violation of the compulsory attendance laws. See also *Consolidated School District, No. 12* v. *Union Graded School District No. 3*, 185 Okl. 485, 94 P.2d 549 (1939) at 550.

[35] In recent years, the sex education cases and resulting legislative enactments have generally established a parental right to provide this type of instruction at home and/or to withdraw his child from the school's course. Many states specifically provide by statute that enrollment of a student in a sex

education class must be with the consent of the parent; others require that the parent must either provide the education himself or let the school. Where the issue has resulted in litigation, the Courts have reached divergent conclusions, with one upholding a required course as within the state's power to protect the public health. *Cornwall* v. *State Board of Education* 314 F. Supp. 340 (1969); and another upholding the parent's right, on the basis of religious beliefs, to keep his children out of the class *Valent* 1. *New Jersey State Board of Education*, 144 N.J. Super. 63, 274 A.2d 832 (1969).

[36] It is entirely possible, for example, following the reasoning of these cases that just as a Baptist can withdraw his child from dancing or singing lessons, so too, a Black or Chicano parent could withdraw his child from courses that inaccurately or negatively portray his race or culture.

[37] *In re Caswell* 18 R.I. 835, 29 A. 259 (1893).

[38] *MacEwan* v. *Holm* 226 Or. 27, 359 P.2d 413 (1961); *Papadoponlos* v. *State Board of Higher Education;* 494 P.2d 260 (Or App. 1972).

[39] For a discussion of the *Van Allen* case see 20 Buffalo L.J. 255, "Comment Parental Right to Inspect School Records."

[40] If the relationship between teacher and student were viewed as a fiduciary relationship, high standards of disclosure of relevant information would apply. No court to date has defined the relationship in this manner; however, at least one has suggested it as a possibility. *Blair* v. *Union Free District*, 67 Misc. 2d 248,324 NYS2d 222 of 228 (1971).

[41] The Florida Department of Education has since promulgated regulations dealing with expulsion hearings.

MICHIGAN POLICE OFFICERS WIVES ASSOCIATION

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. DINGELL. Mr. Speaker, the Michigan Police Officers Wives Association will hold their fourth annual State convention April 27, 1974, in Dearborn, Mich.

Each year, during the fourth week in April, the Michigan Police Officers Wives Association receives proclamations citing that week as "Police Officers Wives Association Week."

This is a fitting tribute I believe to the women who give support to our police officers. Similarly, there is legislation pending in the House of Representatives which I have introduced to provide for the designation of the fourth week of April each year as "Police Officers Wives Association Week." I am referring to House Joint Resolution 530, which I introduced in the 1st session of the 93d Congress and upon which I am anxious to see action taken by the Committee on the Judiciary in the House of Representatives.

Upon the occasion this month of the Michigan Police Officers Wives Association Convention, I believe it appropriate to note that I have learned, in my continuing correspondence with Mrs. Martha Hart, president of the association, that these women work hard to promote good will, create better police-community relations, better their communities, and aid the families of the injured and slain police officers throughout the State of Michigan.

Mrs. Hart has informed me that their organization sends get-well cards to any officer injured in the line of duty in the United States and Canada and a sympathy card to the family of any officer slain in the United States and Canada. Likewise, these women stand ready to assist the families of those police officers who are injured or killed in the line of duty.

Mr. Speaker, these wives are actively engaged in their support of their husbands' work and, in fact, regularly attend scheduled courses at police training academies for new officers' wives.

It is my opinion that their efforts are worthy of the attention of Congress as these women work to secure a better way of life for all.

MILITARY SEEKS NAME AND ADDRESS OF EVERY LICENSED WISCONSIN DRIVER BETWEEN AGES OF 17 AND 26

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. OBEY. Mr. Speaker, the driver control bureau of the Wisconsin State Transportation Department does a brisk business supplying confidential information out of its computerized files on the State's motorists.

To obtain your neighbor's name, age, address, and driving record in duplicate, simply send in a notarized statement and $1—unless you are an insurance company, in which case you can obtain the information in triplicate for only 50 cents.

Recently, the four major branches of the service tendered a joint request for the name and address of every licensed Wisconsin driver between the ages of 17 and 26. Fortunately, that request was denied, but only because the driver control bureau lacks the manpower to crank out such a massive list.

According to bureau director Dan Schutz, military authorities never specifically outlined their intentions for the data but indicated it would be used for recruiting.

This information comes from a three-part series by Timothy Harper of the Associated Press. Here is the series as it appeared in the Marshfield News-Herald, April 2–4:

FIRST OF THREE ARTICLES—SOMETHING NOTORIOUS ABOUT THOSE NOTARIZED REQUESTS

(By Timothy Harper)

MILWAUKEE.—A notarized statement and a dollar is all it takes to obtain your neighbor's name, age, address and driving record from Madison.

Of course, on the notarized statement you have to claim that you want the confidential information out of the state's computerized files for a legitimate reason relating to insurance, employment or credit.

But if the reason you give for the prying looks on the up and up, the Driver Control Bureau of the State Transportation Department will send you the data with no questions asked.

"We don't do a great amount of investigating into each statement," said bureau director Dan Schutz. However, he said, officials will ask for more information from persons requesting such information if the reason on the notarized statement isn't clear.

"That's why we ask for the notarized statement," he said. "It pust the burden on the person requesting the information rather than us."

He said most of the requests for information on driving records come from insurance companies, which have to pay only 50 cents for the traffic records of Wisconsin motorists.

"We more than make enough from the insurance companies to break even," said Shutz, referring to the cost of computer printouts.

However, he said his bureau also receives requests from many credit associations and businesses offering credit plans and charge accounts to the public.

"There's really nothing in the driving records about a person's finances," Shutz said, "but I suppose if a person had a bad enough record they (the credit investigators) could associate it with a particular type of lifestyle."

Betty Rayburn, the supervisor of driver records, agreed that no in-depth checks are run on requests for the confidential information to determine whether or not the person making the request has a valid use for it.

"An individual can always get his own records," she said, "but anyone else has to sign a statement explaining a permissable business reason."

She said insurance companies have to pay only half the usual $1 fee and get the records in triplicate rather than the usual duplicate because they often request records in greater volume and sometimes do some of the preparatory work for a computer run.

Despite his agency's admitted lack of probing the reasons behind requests for such data from citizens. Shutz said he is confident there are few if any driving records falling into unauthorized hands.

"We're pretty careful about this sort of thing," he said, "and we turn down a great many requests from mail order companies and that type of thing." He said a list of names and addresses from the drivers license files was once said to private research firm, but said the department banned such sales in 1972.

However, he agreed that it is possible for a person to obtain the record of a friend, neighbor, relative or acquaintance just for curiosity's sake if he was willing to sign a fraudulent notarized statement.

SECOND OF THREE ARTICLES—MILITARY SEEKING DATA ON RESIDENTS

(By Timothy Harper)

MILWAUKEE.—For the past two years, U.S. military officials have been seeking confidential information of hundreds of thousands of Wisconsin residents from computerized state files.

As yet, however, state officials have refused to turn over the data requested—the name and address of every licensed Wisconsin driver between the ages of 17 and 26.

"We have had numerous requests from the military for the names and addresses of everyone between 17 and 26," said Dan Schutz, director of the Driver Control Bureau in the State Transportation Department. "We've gotten inquiries from the Army, the Navy, the Air Force and the Marine Corps."

Schutz, in a telephone interview from his Madison office, said the armed services, which apparently wanted the names and addresses for recruiting purposes, have made numerous individual and joint requests for the data since the Selective Service draft ended.

Schutz, who said the information is readily available in state computer files of driver

records, said the main reason the military requests have not been honored is that his office simply does not have the staffing to crank out such a massive list, even though it could be printed out in one computer run.

"We just don't have the time or manpower," he said.

He said the requests for the information from the military had come frequently for several months after the draft was ended two years ago, but a lull followed until several weeks ago when the four major branches of the service entered a joint request for the data.

"They said they would share the information," Schutz said.

Schutz said military authorities never specifically outlined their intentions for the data, but said they indicate it would be used for recruiting.

"I suppose they would use the names and addresses to send recruiting information to young people," he said. "I guess they have to do more of this type of thing since the draft ended."

Ed Waycaster, the chief administrator of the Navy recruiting station in Milwaukee, said the requests for the information come from Washington.

"We just use them to mail out literature," he said. "It's like any big corporation trying to update its mailing lists."

At the Army recruiting office in Milwaukee, Maj. David Phillips said he had heard of the requests for the Wisconsin data, but had no idea what the information would be used for.

"The information serves a purpose to get leads for possible recruiting," he said.

But he added that he didn't know specifically how the recruiters would get "leads" for the potential new recruits from the files.

LAST OF THREE PARTS—STATE BLAMED FOR SOME MAILING LISTS

(By Timothy Harper)

MILWAUKEE.—Ever wonder how your name got on the mailing lists of all those junk mail companies whose advertisements often seem to clog your mailbox?

At least some of the firms get all or part of their Wisconsin mailing lists from the state.

Despite vehement criticism from politicians and citizens during the past seven years, the state continues to sell lists of Wisconsin motor vehicle owners to whoever wants them.

"We do it because we have to," said Eldon Schimming, director of administrative services in the State Transportation Department's division of motor vehicles. "The statute specifically says we shall sell them, so it's a mandatory type of thing."

He said the lists, sold primarily to auto dealerships for a maximum of $120 per year, include the license plate number of every vehicle registered in the state, as well as the name and address of the owner.

Schimming, in a telephone interview from his Madison office, said some private mail order firms may also buy the list since the state does not check on who makes the purchases.

"We sell them to anyone who is interested enough and wishes to pay for them," he said.

Schimming said he doesn't know exactly what auto dealerships do with the lists, but said his office has had complaints from citizens getting junk mail from firms which have bought them.

"We have had calls from some people who believe the mailing list is used in surveying parking lots," he said. He added that some vehicle owners believe their cars are checked for their age and condition, and then dealers look up the addresses of the owners on the list and send them brochures for new equipment or new vehicles.

Schimming said about 150 private firms purchase the list each year.

The controversy over the state sale of the lists, which were originally compiled for the convenience of law enforcement agencies erupted in 1967 when Sen. Gaylord Nelson, D-Wis., urged the legislature to outlaw the sales to cut down on junk mailings.

Since then, Govs. Warren Knowles and Patrick Lucey both assailed the practice as an invasion of privacy and joined Nelson in calling for an end to the sales.

No fewer than a dozen legislators, many of them criticizing the "bargain basement" $120 price tag for the lists when other states such as New York charge more than $80,000 for a single list, have introduced bills to prohibit such sales.

But none of the proposals got anywhere, and the law is still on the books.

And, as Schimming says, the state will continue to sell the lists as long as it is.

HOW SENATOR BUCKLEY IS MISUNDERSTOOD

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. UDALL. Mr. Speaker, a few weeks ago, the junior Senator from New York (Mr. BUCKLEY) startled many people by coming around to the same position I have been taking for months—that President Nixon should resign for the good of the American people and turn the reigns of Government over the Vice President GERALD FORD.

Unfortunately, the Senator's comments have been somewhat misunderstood and he has received quite a bit of criticism. Some critics, both in and out of Congress, say a Presidential resignation would injure both the Presidency and the democratic form of government, because a President should be forced out only by losing an election or by being impeached and convicted by Congress.

However, in his syndicated column last week, Senator BUCKLEY's brother, William F. Buckley, Jr., replied that a resignation would in no way contradict the intent of the authors of our Constitution.

As columnist Buckley pointed out, what Senator BUCKLEY really said is that a Presidential resignation would be "to perform an act of noblesse oblige. That is to say, to put his—Mr. Nixon's—country's interests above his own."

Senator BUCKLEY feels, as I do, that President Nixon has lost his credibility with the American people and is unable to provide the type of leadership the Nation needs. His ability to lead would be even more restricted if we have to go through the lengthy impeachment process.

And, as both Buckleys point out, President Nixon would not be abandoning his electoral mandate if he resigns. The mandate would merely be turned over to Vice President FORD who is, after all, President Nixon's handpicked Vice President and a man who shares his general political philosophy and views on most domestic and foreign issues.

Following is Mr. Buckley's column. I commend it to my colleagues:

HOW SENATOR BUCKLEY IS MISUNDERSTOOD

(By William F. Buckley, Jr.)

Even the water buffalo and the springbok in Africa were talking about the startling recommendation of the tormented junior senator from New York, that Richard Nixon resign the presidency pro bono publico. Returning from abroad and examining the response to his suggestion, one is struck by a number of misunderstandings which appear to have become institutionalized in American thought. Not only among conservatives, but among liberals as well.

Most of them, in my judgment, are explicitly or inexplicitly incorporated in a two-sentence statement by a Republican congressman from Tennessee, Dan Kuykendall. He is quoted as saying: "Senator Buckley's proposal is most dangerous as it would affect the Republic and its operations. His willingness to see a man forced out of office without proof of impeachable conduct shows a lack of understanding as to how this Republic was formed and how it operates."

If Mr. Nixon were to resign, would he in fact have been forced out of office? To answer in the affirmative, it is required that the word "forced" be used metaphorically. Because—obviously—there is no way to "force" Mr. Nixon out of office other than to impeach him, and convict him. Inasmuch as Sen. Buckley looks with horror at that prospect, the first part of which is by all accounts imminent, then the point to make is that Sen. Buckley desires very much that Nixon should not be "forced" out of office.

If Kuykendall is using the word figuratively, then the question to ask is: Are we really committed to the proposition that the people should not express themselves concerning that which they desire? Here again a distinction is necessary. If Sen. Buckley had said that every time the American people desire a president to resign he should do so, he would have thrown in his lot with the plebiscitarians—with whom, as a conservative, he desires no affiliation.

But he is not saying that. Nowhere in his profound statement is there a hint of it. He did not say that Mr. Nixon should resign because the majority of the American people would rather have another president.

He said he should resign because the alternatives—for America—are less desirable. The alternatives being (a) the probability of impeachment and the possibility of conviction; (b) a presumptive suspicion of presidential policies reflecting loss of confidence in Mr. Nixon; and (c) an Executive weakened as an institution by tormentors who, in their anxiety to get Nixon, are likely to move further than is good for the institution of the presidency.

What I understand Sen. Buckley to have done is to have asked President Nixon to spare the United States the ravages of a prolongation of the Watergate torture. I cannot see how, in doing so, he showed any lack of understanding of republican government.

Charles de Gaulle participated in a coup d'etat, in effect, one of the principal purposes of which was to establish a strong presidency. Even so, at a certain point, Gen. de Gaulle, surveying the situation about him—resigned.

He did not do so in order to inaugurate the plebiscitary government he replaced when he overthrew the Fourth Republic and instituted the Fifth. He did it because he saw that the signals suggested France would be better off without him.

Edward VIII, King of England, was not "forced" to resign: He elected to do so, and there are very few Englishmen—conservative as regards the monarchy in a sense unknowable to American republicans—who now believe that he did other than the statesmanlike thing.

Very recently the governor of New York State, elected in a landslide, resigned. His motives were complicated. But even his critics do not believe that he did anything

venal by resigning, or that he betrayed his mandate. Any more than Richard Nixon would betray his mandate, if he decided to turn over the reins of government to his own appointed successor, Gerald Ford.

Mr. Nixon has time and again stressed that he was elected in order to carry out certain programs. Does he recognize that he is saying, in effect, that these programs would not be carried out under his successor, Gerald Ford; if that is the case, why did he appoint Mr. Ford? He could have chosen anybody.

I understand Sen. Buckley to have asked the President to perform an act of noblesse oblige. That is to say, to put his country's interests above his own.

That is not, surely, to misunderstand republican government, but to express the highest faith in it. Those who are hellbent to impeach Mr. Nixon rather than to urge his resignation are the blood-lusters, hiding under the skirts of constitutional formalism.

Maybe Sen. Buckley's recommendations are misguided. Certainly they are not outside the spirit of the Constitution, which three times mentions presidential resignation as a possibility.

KING AND POWELL TRIBUTE

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. CORMAN. Mr. Speaker, I am grateful for this opportunity to participate in the special order commemorating the memory of the Honorable Clayton Powell, Jr. and the Rev. Dr. Martin Luther King, Jr. At a time when Congress and the American people turned a deaf ear to the special needs of blacks, poor people and other minority groups, these remarkable men stepped forward to prod the American conscience. Their goal: to make the American dream of freedom, dignity and equal opportunity a reality for everyone.

Adam Clayton Powell, Jr. was a product of New York's Harlem where he lived and which he represented. His flamboyancy and inconoclasm masked a deep commitment to the other America—the America of poverty, discrimination and unemployment. As chairman of the House Committe on Education and Labor from 1960 to 1967, he was the dominating force in the passage of 48 major pieces of legislation committing more than 14 billion Federal dollars to the task of providing equal opportunity for all Americans.

Some of the chief bills enacted through Chairman Powell's efforts were the 1961 Minimum Wage Act, the Manpower Development and Training Act, the Juvenile Delinquency Act, the Vocational Education Act, the Economic Opportunity Act of 1964 and the National Defense Educational Act.

As committee chairman and elected Representative, Adam Clayton Powell, Jr., was committed to the goodness and sanctity of human life.

The Reverend Dr. Martin Luther King, Jr.—perhaps more than any other person—brought the plight of blacks and poor people to the American conscience. Using the nonviolent tactics of Thoreau and Gandhi, Dr. King successfully challenged patterns of segregation in the North and South. His Montgomery bus boycott in 1955 marked the beginning of the modern civil rights movement.

As head of the Southern Christian Leadership Conference, Dr. King worked tirelessly to build grassroots support for the civil rights cause. His following transcended color, age, and economic class. For Dr. King understood early that no man is free until all men are free. His efforts led to a spate of civil rights legislation in the 1960's, most notably the Civil Rights Act of 1964. In addition, Dr. King's work in mobilizing the masses of poor in American to lobby for needed benefits won him the Nobel Prize for Peace in 1964.

The complementary efforts of Mr. Powell and Dr. King—one leading a legislative movement and the other a moral movement—awakened the conscience of America and set us on the path to freedom and justice for all.

MAKE THE SOCIAL SECURITY LEVY MORE FAIR

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. BURKE of Massachusetts. Mr. Speaker, may I take this opportunity to bring to the attention of the Members of the U.S. Congress two articles that appeared in the Sunday editions of the Los Angeles Times and the Boston Globe. The Los Angeles Times article under my byline entitled "Make the Social Security Levy More Fair" and the Boston Globe article written by columnist David B. Wilson entitled "Payroll Taxes Unfair Burden":

MAKE THE SOCIAL SECURITY LEVY MORE FAIR

(By James A. Burke)

For more than half the population, Social Security taxes are larger than federal income taxes. A married couple with two children and an income of $7,000 a year, for example, pays $409.50 a year in Social Security tax—$3.50 more than their $406 income tax.

Moreover, the Social Security tax is regressive, in that low-income persons pay a higher proportion of their earnings than do high-income persons.

If there is to be a tax cut to help the economy, therefore, it should be in the Social Security tax. And there are strong arguments for such a tax reduction.

Americans are being financially crippled by the constant erosion of their buying power caused by skyrocketing inflation and declining employment. Increases in the price of gasoline alone have been equivalent to an $8 to $10 billion tax increase.

While consumer prices increased at annual rate of more than 12% during the first months of 1974, real spendable income of nonfarm workers dropped 4% from a year ago. Battered by runaway food and fuel prices, consumers pulled in their horns and cut down their spending. No quick rebound of spending is in sight.

To give the wage earner more spendable income as soon as possible in order to lubricate the economy and get it rolling smoothly again, there should be a reduction in taxes.

Reductions in taxes for low and middle-income persons, and changes in the regressive Social Security tax system, should be made this year. Easing this tax would increase real spendable income for a majority of Americans and be a big step toward freeing more money for consumer purchases.

With the support of a substantial part of the House membership, I have filed a bill that would cut the Social Security tax from its present 5.85% to 3.9% of income. It also would increase the segment of income to which the tax applies from the first $13,200 each year, as it is now, to the first $25,000. And my bill would provide for a three-way split of the tax burden among employee, employer and general federal revenues.

For the married couple with two children and an income of $7,000 a year, my bill would cut the Social Security tax from the present $409.50 to $273 a year.

For businessmen, reducing the employer's contribution to one-third (instead of the present one-half—the employer now matches the employee's 5.85%) would reduce the employer's cost of business and help make American goods more competitive abroad. And thousands of small businessmen, some of them on the verge of bankruptcy, would be able to invest money in new machinery and production techniques in an attempt to gain a competitive foothold.

A three-way split of the Social Security payroll tax is not an untried idea: Many European countries have used this system for many years. And the use of some general revenues, instead of only the payroll tax, has been recommended at regular intervals since Social Security began in the 1930s, beginning with the first Committee on Economic Security in 1935, and as recently as the Advisory Council on Social Security in 1971.

The changes proposed in my bill would reduce the Social Security tax's regressiveness, which requires low-income persons to pay a larger share of their income than high-income persons do.

SOCIAL SECURITY TAX

Annual income	Withheld from employee	
	Amount	Percent of income
$5,000	$292	5.85
$10,000	585	5.85
$13,200	772	5.85
$15,000	772	5.15
$20,000	772	3.86
$25,000	772	3.09
$30,000	772	2.57

Note: Rate is 5.85 percent on first $13,200 of income.

The reason for this inequity is that the tax of 5.85% applies to only the first $13,200 of income earned each year. Consider these three examples:

A person earning $6,600 a year pays $386 in Social Security tax, or 5.85% of his entire income.

A person earning $13,200 a year pays $772 a year, also 5.85% of his income.

A person earning $26,400 a year pays the maximum of $772 a year, but that is only 2.924% of his income—just half the proportion paid by the person earning $6,600 or $13,200.

There has been some suggestion that my proposal, by changing the base on which the tax is applied, and because it calls for general revenues to finance part of Social Security, represents a tax shift to the more progressive income tax.

I believe there is ample justification for such a move. Social Security is the best structure we have on which to build an income maintenance program, and I think we should shift the burden from the low and middle-income workers who now bear more of the load than other income groups, based

on their relative abilities to pay, and spread it more equitably throughout the population.

Many economists endorse the concept of changing the Social Security tax structure to reflect the fact that the program is no longer merely an insurance system.

Joseph A. Pechman, director of economic studies at the Brookings Institution, testified before a Senate committee last month that the Social Security tax "is the most regressive in the federal revenue system; at current rates, it is extremely burdensome on poor and near-poor workers.

"The payroll tax is defended by those who think of Social Security system as an insurance system, but everybody knows that payroll taxes do not pay for an individual's retirement benefits, even with accumulated interest. The insurance myth should no longer be allowed to perpetuate oppressive taxation," Pechman said.

Social Security is this government's major spending program, affecting more people directly than any other government program. It is this nation's major expression of social concern for its citizens. It is high time that the burdens of the program were spread more evenly among the American people.

And at a time when getting more spendable money into the hands of consumers would help combat recession, cutting the Social Security tax and making up that loss from general revenues would be a faster, fairer way of helping the economy than any other.

[From the Boston Globe, Apr. 8, 1974]

PAYROLL TAXES, UNFAIR BURDEN

(By David B. Wilson)

Harold S. Geneen, the fabled chairman of the international conglomerate known to politics and finance as ITT, received $814,299 in compensation in 1973.

If it had all been salary, the New York Times observed, Geneen would have paid his full Social Security payroll tax in the first week of January. Since it was about half bonus, it took two weeks for his F.I.C.A. deduction to be wiped out.

Geneen, under a system that most wage earners and pensioners seem to accept with all the stolidity, docility and sensitivity of stalled oxen, pays, Dear Reader, exactly what you pay if your income equals or exceeds $13,200 a year.

Of course, he did not pay F.I.C.A. on his $411,000 bonus. Nor was any income from interest, dividends, rents, capital gains or government payments subject to payroll tax. Nor did ITT, beyond matching from its gross revenues Geneen's contribution, feel the payroll tax bite on its corporate profits. For ITT, the corporate contribution is a cost of doing business.

No attempt is here being made to single out Geneen or his vast enterprise for criticism. But if your paycheck is presently being nicked for 5.85 percent of $13,200, the contrast may serve to illustrate with some force the injustice of the system.

There is no legal reason why Geneen should pay more. Taxes are exactions, not voluntary contributions. And Geneen quite probably pays a whopping Federal personal income tax.

What is perplexing is the apparent reluctance of Federal policy planners to consider the payroll tax in evaluating alternative strategies against the concurrent evils of inflation and recession.

On the same financial page of the Times, there is a piece by Leonard Silk reporting on various suggestions for jiggering the personal income tax to get more money into the economy.

None of them attempts to deal with the continuing scandal of the payroll tax which, in addition to sparing all kinds of income generally enjoyed by rich people, is outrageously unfair to working wives and imposes its burden (greater than the income tax for about half the nation's wage earners) on heads of families without regard to the size of those families.

Income redistribution has in the last few years become the biggest dollar function of government, bigger than defense by about 30 percent.

The total of transfer payments—of which Social Security checks form the largest single category—is estimated at a current rate of $130 billion annually, equal to a tenth of the Gross National Product.

At a time when inflation is producing a decline in real spending power, when soya flour is being merchandised as a desirable additive to ground beef, when taxes are soaring in response to the organized demands of government employees and dependents, working people with grocery, fuel and tuition bills to meet are being required to assume the same share of this burden as the chief executive officer of ITT.

This is a cynical, socially destructive, morally indefensible public policy which survives only because of the near-unanimous public misunderstanding of the way the Social Security system operates.

But what is even more discouraging than this continued grinding of the working poor by a heedless government is the failure of the economic planners even to consider reform of the payroll tax as a means of putting cash in the pockets of those taxpayers in greatest need of assistance.

US Rep. James A. Burke now has more than 100 congressmen signed up as cosponsors of his bill to cut the payroll tax rate from 5.85 to 3.9 percent and increase the wage base subject to tax from $13,200 to $25,000.

For the $10,000 wage earner, this would mean an effective annual pay raise of $195, which, even at today's prices, will buy a lot of groceries, heating oil and children's shoes.

And yet the emphasis of the sponsors has been upon repairing the inequity of the payroll tax and upon its burden on business and industry. It would seem as logical and perhaps more politically productive to pass the bill as a means of softening the impact of inflation and stimulating a lagging economy.

TODAY'S STUDENT GUEST EDITORIALS

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. HUNGATE. Mr. Speaker, as part of the University of Missouri's journalism intern program, two young people worked on an outstanding daily in my district, the Mexico Ledger. The following are their editorials on two issues which are much before the country:

WOMEN AREN'T ALL LIBBERS

(EDITOR'S NOTE: Miss Kimberly Mills, a journalism student at the University of Missouri, has written the following guest editorial while serving as an intern on The Ledger news staff. The opinions she expresses are, of course, entirely her own. RMWII)

(By Kimberly Mills)

"Harry, it's like I was telling you. Those women's libbers, you just can't figure them out.

"They say they want equality. Didn't they get it, away back, with the right to vote. They are still making a fuss about equality, only now it's about jobs."

Those comments, made by a species of man referred to by some as the male chauvinist pig, are justified. Women are making a fuss about occupational equality.

But some are striving for equalization in careers without earning for themselves and all women the reputation of women's libbers. For not all women are hard, brassy females who obnoxiously declare men their enemies and burn bras at sisterhood meetings. Just as all men are hardly male chauvinist pigs, all women concerned for their sex cannot be fairly labeled women's libbers.

The feminists of the 19th century, women like Elizabeth Cady Stanton and Susan B. Anthony, and the suffragettes of the 20th century, women like Carrie Chapman Catt, strove to better their lives as women. One goal emerged—the right to vote—and women of this period began equating enfranchisement with equality.

With the 19th amendment passed into law, the women's movement lay dormant for decades though women, as individuals, made great strides along with blacks and workers. Women such as Margaret Mead, Eleanor Roosevelt and Margaret Chase Smith demonstrated the individual's will to succeed.

The realization that the vote did not guarantee all kinds of equality to women came as women gradually became more disturbed by inequities in occupation, education and social avenues of life.

Inequities that kept women out of medical schools and law schools . . . inequities that relegated them to clerical positions rather than positions with responsibilities . . . inequities that denied them the same social outlets as men.

Some women spoke up loudly in the 1960's. Perhaps because they dared to speak above a whisper, judgments of "shrill" and "overbearing" were levied. Perhaps they were loud.

But loud in order that closed ears could not avoid listening—listening to women explain that the vote didn't bring true equality in every sense of the word. It brought a law upholding equality, not achieving it.

This is what many of these women, feminists and libbers, struggle for . . . the guarantee of equal pay for equal work . . . the right to executive positions with decision-making responsibilities . . . the chance to choose between botany and motherhood, aerospace engineering and secretarial employment.

Yet the struggle goes past the need for occupational equality. In the words of Betty Friedan, it represents the "chance for woman to fulfill herself, not in relation to man, but as an individual."

Then perhaps, the labels, women's libber and male chauvinist pig, will fall into disuse, to be replaced by a more positive term—humanists.

TOO MUCH WATERGATE TO FORGET

(EDITOR'S NOTE: Jay Silverberg, a journalism student at the University of Missouri, has written the following guest editorial while serving as an intern on The Ledger news staff. The opinions he expresses are, of course, entirely his own. RMWII)

(By Jay Silverberg)

President Nixon would like to see the Watergate controversy ended. He would like to see the myriad of problems, subpoenas, media coverage—the controversy surrounding him—all forgotten. He would like to see Watergate as a thing of the past.

Nixon has mentioned that with Watergate "behind us" his administration can turn to more important matters.

I believe Watergate cannot be pushed out of public view. We cannot allow Watergate to be simply forgotten. Answers to the many Watergate questions must be obtained before they become a part of history.

We are asked to forget by President Nixon that his innocence or guilt is questioned by a large segment of the population—his in-

nocence or guilt regarding income tax payment; his innocence or guilt regarding his knowledge of the Watergate charges now pending.

We are asked to move Watergate aside when Nixon stands suspected of breaking the law before the public which elected him by the largest majority ever given a man running for his office. More than 60 per cent of the people voted for him.

More charges against Nixon include improper use of government funds for improvement to his private homes, authorization of illegal wiretapping and illegal breaking and entering and accepting illegal campaign donations.

We are asked to forget when the president, elected to uphold the law, is now standing before it.

We are asked to forget that the results of Watergate investigations have left more than 30 of the president's associates charged with crimes. Of that number, over 20 have been convicted of their crimes or have pleaded guilty to charges brought against them.

We are asked by the President, though, to forget about Watergate.

We are asked to forget this by the man we elected, yet people ask, "How can we get the same income tax deductions that the President got?" We are asked to forget even the Watergate hearings are televised, when we read of subpoenaed information from the President's office and when senators and representatives call for and are considering Nixon's impeachment from office.

Not since the coverage of Vietnam has the American public been kept aware of one topic like Watergate. And with good reason.

It should be kept before the public until answers to the many Watergate questions are obtained.

Nixon cannot be allowed to leave Watergate behind. We cannot allow him to do it. People must continue to question his usefulness—something 70 per cent of them are doing now according to two national polls—and ask who is right or wrong. Congress must continue its quest for an answer and so should the press.

The discussion of Watergate must be kept before us. The facts must be known and Watergate must continue until a complete answer, if possible, is obtained. No matter how long it takes.

We have waited too long for the Watergate story to go unanswered.

Finally, allowing President Nixon to leave Watergate behind would discredit the democratic process he was chosen to uphold—that of fair and equal treatment to all, including the President.

DOD SUPPLEMENTAL AUTHORIZATION

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. LEHMAN. Mr. Speaker, due to an important commitment in my district, I was not present for the votes on the DOD supplemental authorization bill on April 4, 1974. Had I been present, I would have voted "no" on rollcall No. 144, the previous question on the rule to the bill.

Adoption of the rule would have prevented points of order against the section which raised the ceiling on appropriations for military aid to South Vietnam by $474 million. Not only do I oppose increased military aid to South Vietnam, but I oppose this backdoor attempt at increasing aid in a supplemental authorization bill after Congress has gone on record to limit such aid.

For these same reasons, I would have voted "no" on rollcall No. 147 to allow a $247 million increase in military aid to South Vietnam.

On rollcall No. 146, the amendment to delete funds for construction of naval support facilities on the Indian Ocean island of Diego Garcia, I would have voted "no." Our limited presence at Diego Garcia serves as an important signal to the Russians that we will not allow them a free hand in the Indian Ocean and the nearby Arabian Sea.

POW/MIA HERO BURIED AT ARLINGTON NATIONAL CEMETERY

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. ZABLOCKI. Mr. Speaker, it was my honor on last Thursday, April 4, to attend the memorial burial services for Lt. Col. Wilmer Grubb at Arlington National Cemetery.

For Colonel Grubb it was, in fact, a second burial. In that sad knowledge lies a story of anguish for his family as well as a tragic testiment to the inhumane policy of North Vietnam.

Colonel Grubb actually died on February 4, 1966—9 days after he was taken prisoner by the North Vietnamese. Yet, it was not until December of 1970, almost 5 years later, that his family received the first unofficial word that he had died—a fact that was not confirmed officially until January 1973. Thus, for these many bitter years his wife, four sons, and his parents endured the prolonged agony of not knowing his true fate. Indeed, their plight was compounded by the fact that his voice was heard on North Vietnam radio in late February 1966 and a picture of him alive was released in March of that year—all calculated to suggest that he was still alive.

All of these facts and more were outlined in James Wooten's story of the burial service which appeared in the New York Times of April 5. I am privileged to place it in the RECORD at this point and recommend it to the full and careful reading of my colleagues.

EIGHT YEARS AFTER HIS DEATH IN NORTH VIETNAM, AN AMERICAN POW IS LAID TO REST IN ARLINGTON

(By James T. Wooten)

ARLINGTON, VA., April 4—Lieut. Col. Wilmer N. Grubb was buried here today, 2,616 days after his death in a North Vietnamese prison camp.

A misty rain settled softly on his widow, his aging parents and his four young sons as they joined scores of friends and relatives in a final tribute to the Air Force pilot who died a few days after he was shot down in early 1966.

His funeral today, with full military honors, was the first conducted for any of the 23 American prisoners of war whose bodies were released by North Vietnam and returned to this country last month—almost precisely a year after those prisoners who survived their internment were joyously welcomed back.

But the homecoming of Colonel Grubb and the others who died as captives, has gone almost unnoticed, another sign, perhaps, of the country's waning interest in the war, its issues, its anguish and its victims.

It was more than eight years ago that Colonel Grubb's body was interred in a cemetery just outside Hanoi, marked with his name inscribed in Vietnamese symbols. Now it rests beneath silver elms and oaks in Arlington National Cemetery, just down a long, green hill from Gen. John J. Pershing's grave, and within sight of the Washington Monument and the low, buff profile of the Pentagon.

"And so we commit the body of our friend to the earth and his everlasting spirit to the Lord," the Rev. Neil Cline intoned as he concluded his eulogy for his former Lutheran parishioner—and the quiet moment was immediately shattered by the explosive salute of a six-man Air Force firing party.

A SON HE NEVER SAW

With each of their 18 shots, Roy, the seven-year-old son whom Colonel Grubb never saw, trembled and inched closer to his mother. Finally, as the firing died away, he reached up for her hand, and stood motionless except for a trembling chin, staring hard at the silvery-gray coffin a few feet away.

The honor guard folded the American flag that had covered the coffin and Chaplain William G. Boggs, a colonel, presented the tight, cloth triangle to Mrs. Evelyn Grubb.

"On behalf of a grateful nation," he said, "this flag is presented to you—a symbol of freedom and of liberty and of a country your husband served so very well."

Then, as the sound of taps faded, she and her boys and her husband's parents, Mr. and Mrs. Newlan Grubb of Aldan, Pa., turned from grave No. 8–658–F and were driven away in Air Force sedans.

"He was a hell of a guy," Col. James F. Young, one of eight former P.O.W.'s who attended the funeral and Colonel Grubb's roommate in Saigon for the two months before his final mission, recalled, "and he was one of the best reconnaissance pilots in the Air Force."

Colonel Grubb was 33 when he died. He would have been 42 in August.

He had honed that skill over the years since his graduation from Pennsylvania State University in 1955 with Air Force assignments all over the world, including an earlier stint in Vietnam.

"HE DIDN'T VOLUNTEER"

"But he wasn't all that crazy about going back," said Mrs. Grubb before the funeral. "He didn't volunteer, but when they said go, he went."

That was on Nov. 11, 1965—the last time she saw him. She was pregnant when they said good-by.

His first-born, Jeffrey, was nine years old. Ronald, the next child, was four, and Stephen, their third, was one.

"I was never particularly prescient," Mrs. Grubb said today before the funeral, "so I can't really say that I knew or thought I knew he wouldn't make it back. But I worried. If you love a pilot, you worry."

Colonel Grubb took his RF–101 jet screaming out of the Tan Son Nhut air base in Saigon on the morning of Jan. 26, 1966, with its two cameras loaded with film and a flight

plan that would take him straight up the eastern coast of Vietnam, past the 17th parallel and then inland over North Vietnam.

His mission was to photograph bombing runs and to record damage inflicted by previous attacks. In the process, his plane was struck by ground fire, and minutes after his parachute floated him to the ground, he was a prisoner of war.

CAUSES OF DEATH GIVEN

On Feb. 4, nine days later, he died. A death certificate provided by the North Vietnamese wher his body was returned last month listed the causes of his death as a ruptured spleen and lung congestion.

Nevertheless, his voice was heard on Radio North Vietnam in late February and a picture of him, alive, was released in early March, leading his family to believe that he was still alive.

It was not until December, 1970, that Mrs. Grubb received the first unofficial notification that her husband had died, a fact that was confirmed officially when the North Vietnamese gave the United States delegation to the Paris peace talks a list of names in January, 1973.

"It was inhuman—what they did to us," Mrs. Grubb said today. "All those years believing one thing or not knowing what to believe."

Mrs. Grubb, an active worker in several prisoner-of-war groups, expressed some bitterness today at what she called the "disgraceful manner" in which Vietnam veterans were being treated and dealt with by the United States Government.

"Everybody is tired of talking about that war," she said. "But there is so much left to say."

That may have been on her mind later when her pastor, Mr. Cline, read from a World War I poem by John McCrea, which said:

"If ye break faith with us who die,
We shall not sleep, though poppies grow in Flanders fields."

In her only display of emotion, Mrs. Grubb leaned forward toward her husband's coffin and nodded her head affirmatively.

"The things that happened over there have to be talked about so they won't happen again," she said later. "After all, I have four sons."

HOW CAN WE SELL AMERICANISM?

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. LANDGREBE. Mr. Speaker, I am pleased to place in our CONGRESSIONAL RECORD the following article "How Can We Sell Americanism?", by Dr. R. R. Spitzer, president of Murphy Products Co.

Not only do I personally endorse every word of this article but am delighted to report that it was called to my attention by none other than Henry C. Schadeberg, former Congressman from the First District of Wisconsin, with whom I have had the pleasure of serving. Mr. Schadeberg is now pastor of the First Congregational Church, Greenville, Mich.

HOW CAN WE SELL AMERICANISM?

1. Be aware of what you have, that you're blessed with needs and luxuries, that you are a free man. Next to life itself freedom is man's most precious possession.

2. Be alert to anarchists and communism . . . those who would destroy us. Understand that freedoms can be misused. As Author Paul Harvey has written: "Take the element nitrogen. It can be used to make fertilizer to enrich the earth, but it can also be used to build explosives to destroy the earth." My own feeling is that too much government soon suppresses the individual.

3. Help your church to grow. William Penn, "People not governed by God will be ruled by tyrants." We need to be on God's side. No man has become great who ignored the teaching of God. Our country was founded by men who recognized God. It's in our Declaration of Independence.

4. Be aware of your power. The tide can be turned and we can provide the sparks needed to make all Americans salesmen of Americanism. With this sales force our children will learn the truth. Your children are the strength of America tomorrow.

Voting on election day, letters, international travel, entertaining foreign visitors in our homes to expose them to the real America will all sell the American way of life to these international neighbors.

As housewives, laborers, professional people, farmers, students, businessmen . . . each of us has many opportunities each day to play the game fair, and to do unto others as we want them to do unto us. Remember Father Keller's words, "It's better to light one candle than to curse the darkness."

A great hope lies in the leadership potential of businessmen. Usually, natural leaders, we have too often neglected the responsibility of involving ourselves. Preoccupied with making the payrolls, meeting competition, complying with government standards or sometimes personal pursuits or responsibilities.

We need to realign priorities, placing concern for our nation, survival of the free enterprise system at the top. For here are the real answers to jobs, material needs and personal freedom.

Employees do look up to their bosses. Do these folks know where you stand?

5. Help with community and government affairs. Let's give thanks to teachers, ministers, priests, community leaders, school boards. Remember here it takes workers, not just planners, so let's work to help these real Americans. Too many of us are free to criticize but slow to help. If the people of this nation would work as hard during peace as we do during war, there would be no need for further wars. It's up to good citizens to take leadership roles in community life and in local, state and national government. Sincere interest in foreign relations is important because our country's foreign policy is shaped not only by key government personnel but also by the sum total of the thinking of American citizens.

6. Let's help bring economic literacy where there is darkness and misinformation regarding jobs, profits and enterprise. Our schools aren't getting this job done. Business can help.

7. Think positively about tomorrow. As we thinketh in our hearts so we are.

8. Be thankful we are citizens of a free country.

THE END OF AN ENERGY ORGY

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. BROWN of California. Mr. Speaker, the topic of "energy" will be with us for a long time, and the public will undoubtedly become tired of the subject before anything is really done about the past, present, and future shortages. Dr. Kenneth Watt, a distinguished professor from the University of California at Davis, recently wrote a brief but informative article on the nature of American energy usage. Dr. Watt is perhaps an optimist, in that he expects we will wake up in time to change fundamentally our pattern of energy waste. Recent pronouncements from the administration have convinced me that this administration will not face up to the real nature of the "energy crisis." I recommend this article as an introduction to the course of action that we must take:

[From Natural History, February 1974]

THE END OF AN ENERGY ORGY

(By Kenneth E. F. Watt)

By next month, the United States, particularly the northeast, may be in danger of economic strangulation because of the fuel shortage. How could we be so ill-prepared? The answer is that we are the victims of a defective pattern of thinking that originated in a series of historical accidents in the nineteenth century. The ultimate consequence of this erroneous thinking was inevitable; the Arab export embargo merely hastened the arrival of a crisis that would have arrived by 1979 at the latest.

In the nineteenth century we consumed wood, whale oil, and buffalo at astonishingly high rates. This pattern of resource use had profound implications on our later development. By 1850, 91 percent of our energy came from wood, and Americans were consuming fuel wood at an annual rate equivalent to the burning of 7,091 pounds of coal per person. To put this into perspective, in 1969 the total consumption of energy in all forms, in pounds of coal equivalents, was only 6,993 pounds per capita in Switzerland, and 6,235 in Japan. Thus, by the mid-nineteenth century, and perhaps even earlier, the United States—by cutting down the trees that surrounded its population—had attained a level of energy consumption that two of the most technologically sophisticated nations on earth would not reach until about 120 years later.

Wood did not decline significantly as an important source of fuel until 1880. It was replaced by coal and some oil, which had been used for over two decades. Long before wood ran out, other sources of energy became available. This pattern was repeated three times; coal became important before wood ran out: oil become important before coal ran out; and gas became important before oil ran out.

Two other resources, now almost forgotten, led the United States early in its development to a very high level of resources exploitation. By 1847, we were using 313,000 barrels of whale oil per year, or about 0.014 barrels per person per year. This got the United States into early and heavy use of oil for lubrication and illumination and set the stage for heavy use of crude petroleum shortly thereafter. To indicate the magnitude of forward momentum in oil use, by 1928 the United States consumed 7.62 barrels of crude oil per person, while in the rest of the world, average per capita use in the same year was only 0.19 barrels.

The sperm whaling industry collapsed from overexploitation in 1881, but by then crude oil in quantity was available to replace whale oil. As in the case of the shift from fuel wood to coal, the United States never got the chance to learn an important lesson: that the conversion from one energy economy to another takes a long time. Historically this country has taken from forty to

sixty years to get a new source of energy to the point where it could supply 10 percent of the national energy needs.

We acquired a taste for meat early. By 1872 we were killing seven million buffalo a year. A meat-eating society requires more land per capita to produce food than a largely plant-eating society. This is because of the lower efficiency in solar energy use, which must pass through one extra trophic level in the food pyramid, from plants to herbivores, before it reaches man. A superabundance of buffalo, combined with a greater availability of space per capita relative to other countries, taught us to ignore land or food as critical limiting resources. The ultimate result has been that farmland has been cheap compared to the same land converted to urban purposes. Even in the last few decades the value of land used for farming has declined relative to the value of that same land used for urban purposes. The consequence has been a trend toward incredibly sprawling cities with no real urban center. Only in Canada and Australia have similar cities developed, and in those countries, too, the temporary superabundance of farmland has deceived the population into thinking it did not matter if cities grew by spreading out, rather than up. In countries where farmland is at a premium, the typical city building is seven or more stories. Indeed, in many old European cities, it is difficult to find a building less than seven stories high, and new buildings on the outskirts of cities are often ten to thirteen stories high.

Unconsciously, we learned several lessons from our experiences with resources in the last century; unfortunately, they were incorrect, the result of temporary situations in which we managed to get by because of extraordinary luck. One conclusion we reached was that resources are limitless, so there is no need to conserve them. This produced an economy characterized by low unit costs for resources relative to the cost of labor. Since there is no historical precedent for high resource prices, politicians today hesitate to permit prices to increase sharply in the interests of conservation. We were also taught that it doesn't matter if anything runs out, because there is always a substitute. This is one basis for the widespread and unshakable belief that atomic energy will arrive in the nick of time. Also important, because there was always a substitute ready in time, we have come to ignore the great importance of time itself as a critical limiting resource. Thus, we are unaware of the enormous time required to get new technologies working.

Our experiences in the nineteenth century led us as a nation to acquire excessive faith in "Yankee ingenuity." Because of our superabundance of resources, our ingenuity never encountered an insoluble problem. Thus, we overemphasize what we can accomplish, and naively believe that nuclear energy, solar energy, wind, or gravitation fields will produce another miracle for us.

Each nation does what it can and what it must. Other countries have the same ingenuity as ours: the airplane, airship, automobile, and many other inventions were developed in several countries almost simultaneously. But lacking our resource base, other countries evolved in the direction of more efficient energy use. This meant trains and buses instead of cars; it also meant compact cities and different diets. Thus, while we instinctively used energy to solve all our problems, always deluding ourselves that high energy use means high technology, many other nations tended to equate high technology with great efficiency of resource use.

For a long time, advertising and our natural instincts to acquire goods have led us to use up much of our resources. Because we came to believe that our wants were insatiable, we never worried much about the possible consequences of market saturation. But wants can be satisfied, and the simultaneous total satisfaction of a wide variety of wants is having a profound effect on our economy. Even without the Arab oil embargo, we would have discovered that economic growth was slowing because we had a glut of cars, planes, luxury resort hotels, upper-class housing, and electronic goods.

Our most serious problem, however, is our selection of an erroneous set of national goals, which were based on our luck in the nineteenth century and which we have advertised with great vigor internationally. Rather than being concerned with the quality of life, we are committed to maximizing gross national product by maximizing the flow of matter and energy through the economic system.

Our current national goals maximize resource depletion, increase pollution, reduce life expectancy, destroy our city centers, and give us a slow, inconvenient, unhealthy form of travel. Shifting our goals to maximizing the quality of life would lead to less resource depletion, less pollution, higher life expectancy, more pleasure (more culture, entertainment, and less haste), and a faster, more convenient, transportation system less detrimental to health.

What happens to us if we don't change? We are in real danger of simply running out of everything while still expecting substitutes for soon-to-be depleted resources to show up, as they did many times before. The authors of Limits to Growth have alerted many people to a series of difficulties that can befall us. This book, however, was based on a highly aggregated model in which much detail was omitted by design (to expose the essential features of the big picture). But an interesting thing happens when we disaggregate to determine the impact of additional mechanisms on limits to growth. We discover that the timetable for troubles resulting from excessive growth is moved close to the present.

A highly aggregated global model tells us that given present trends, a particular resource will be gone in thirty years. A more detailed model that deals with the 175 nations on earth reveals additional difficulties because the nations placing the heaviest demands on the resource may not be those with the greatest supply. And a nation with a supply surplus may not allow all of that supply to go to another nation with excessive demand. The Arab oil embargo is the first major example of this phenomenon, but we will undoubtedly see many similar occurrencies involving many critically important minerals.

Less highly aggregated models reveal additional sources of difficulty when we divide the population into age classes. Rapid growth leads to very large imbalances in the age structure of the population, which quickly become so severe that, in reaction, birthrates drop in developed countries. This is currently leading to a situation in which only 69 percent as many children will be born in the United States in 1975 as in 1960.

No comparable decline over a fifteen-year period has ever occurred in U.S. history, not even from 1920 to 1935. What will happen to U.S. economic growth by about the year 2030, when the fifty-five-year-old class of 1975 will be trying to support the seventy-year-old class of 1960? Imbalances in year-class strength alone can bring an end to excessive economic growth.

We have deluded ourselves because of a set of historical accidents that were never perceived as unusual. Now we must quickly unlearn some erroneous lessons so that a future sequence of incidents such as the one that led to the Arab oil embargo will not catch us by surprise.

We should not perceive the energy crisis as a problem, but rather as a glorious opportunity, ripe for exploitation. Our history with wood, sperm whales, buffalo, coal, oil, and gas leaves little doubt about our ability to exploit glorious opportunities. We can do this in two ways: by converting to more efficient use of resources and by shifting a higher proportion of the labor force from manufacturing and transportation into service occupations. The improved efficiency would lead to more sophisticated, convenient technology for everything: transportation, communication, entertainment, and appliances. Shifting the labor force would bring better medical care and a cultural renaissance. Anyone for modern mass transit and community art centers? The more immediate problem is the transition period. The transition can be facilitated by community-organized car pools, dial-a-grocery delivery services, small companies marketing solar-powered home heating and cooling units, and aggressive organization of community theater, dance, music, and art groups. Also, now, when we are in danger of an explosion in unemployment, is the opportune time for massive political pressure to get cradle-to-grave, guaranteed comprehensive health care for everyone. This would certainly take up some of the slack in employment.

The time has come, in a sense, for America to grow up. For some two centuries we have lived luxuriously off the energy-rich land, like a spoiled child off wealthy parents. Now crises are forcing us into a period of maturity, to an awareness of the consequences of high energy consumption. The development of this maturity could bring a style and richness of life that Americans have never known. But it will take all our Yankee ingenuity—and more—to reach such a golden age.

A CLEANER ENVIRONMENT MUST NOT BE A CASUALTY OF OUR ENERGY NEEDS: IN TANDEM PROGRESS OF BOTH IS ATTAINABLE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. KEMP. Mr. Speaker, I think each of us is acutely aware of the strains which the fuel shortages have placed on our Nation's environmental policies.

No doubt, we—as a nation and as a Congress which represents that nation—will go through a reeaxamination in the coming months of the interface between our energy demands and our environmental policies.

I think the worst thing which could happen—as an outgrowth of that reexamination—would be the use of an either/or, all-or-nothing attitude—in either direction, energy or environment—as the basis for future policies.

As I indicated in the remarks which follow, I believe strongly that there really is not all that much of a drastic conflict between environmental protection laws and demands for adequate energy.

It is important that those within the environmental field be sensitive to the Nation's energy needs. But, in return, it is equally important that those within the energy field be as sensitive to the Nation's commitment to restoring the quality of our environment.

I do not believe it is too idealistic to insure that we move ahead in tandem in meeting both our environmental and energy goals. In short, to meet either need—environment or energy—we must be sensitive to the other. That is why, in the long run, we will have more prog-

ress in both areas if we move in tandem—in concert.

This past weekend I had the honor of keynoting the Buffalo Federal Executive Board Seminar on the Impact of Energy Demands on Environmental Concerns. The Federal Executive Board—FEB—consists exclusively of highranking officials of the Federal agencies which provide services in western New York. In no small measure, the attitudes and positions—harmonious or conflicting—which prevailed among the FEB members at the seminar reflect accurately the attitudes and positions—again, harmonious or conflicting—now characterizing our Nation's debate on this issue.

The purpose of my address was to set forth the criteria which we ought to establish for decisionmaking on this issue. In short, what ought our perspectives to be?

Mr. Speaker, at this point in my remarks, I include the full text of my keynote address at the FEB seminar:

A CLEANER ENVIRONMENT MUST NOT BE A CASUALTY OF OUR ENERGY NEEDS

I thank you for giving me this opportunity to participate with you today on this important subject of how our energy and environmental demands interrelate. It is a subject in which I have a most profound interest as do those whom I am privileged to represent in the Congress.

Let me start by giving you the base line for my conclusions. I happen to be one who believes that there really is not a basic conflict between environmental protection laws and demands for adequate energy. It is important that those within the environmental field—in and out of government—be sensitive to the Nation's energy needs; but, in return, it is equally important that those within the energy field—again, in and out of government—be as sensitive to the Nation's commitment to restoring the quality of our environment. I do not believe it is too idealistic to insure that we move ahead in tandem in meeting both our environmental and energy goals. In short, to meet either need—environment or energy—we must be sensitive to the other. That is why, in the long run, we will have more progress in both fields if we move in tandem.

What appears to be coming from the stress of our current energy crunch is a forcing of the discussion on the issues of energy and environment. What we must be careful to guard against is going, once again, too far in any one direction. Environment cannot be the sole criterion, but neither can meeting all energy demands. A balance is not only desirable; it is also essential.

To the extent that this energy crisis has forced us to address ourselves to such matters as interstate and intracity mass transit; greater uses of clean coal; car pooling; voluntary reduction; oil shale research and use; greater exploration on the Continental Shelf; architectural redesign; extension of, but not elimination of, the effective date of auto emission standards; recycling; and smaller cars—all of which I support—et cetera, we can all be thankful. It's just too bad it had to happen this way.

In order to better recommend what it is we ought to do in the future, we had first better understand where we are today.

WHAT DOES THE ENERGY CRISIS REPRESENT?

What does the energy crisis represent?

First and foremost, it represents a gross mismanagement of our laws of supply and demand, a mismanagement which, in my opinion, arose from inadequate long-term planning in *both* the public *and* private sectors of our economy.

There has been much discussion—some of it very heated in Senate hearings—during the past six months on "what created the energy crisis?" Some have even called it a contrived crisis. Like most generalizations, saying that any one entity created the energy crisis is a misstatement of realities.

When demand rises at a steady rate and when supply levels off, it is a statistical inevitability that at some point the lines will first intersect and then demand will steadily exceed supply. This is certainly what happened. We all know that story. But, there is more to the story, if a lesson is to be learned. I speak of the dynamics between government policy and private production during the past fifteen years.

Beginning in the late 1950's, domestic oil and gas production began to level off. Rising costs, as well as disincentives arising from various forms of Federal regulations, moved the companies to seek foreign production where per barrel production costs were lower. The enactment of various foreign investment credits and incentives—now frequently criticized by some who seem to forget they once voted for their enactment—allowed the companies to meet the objective of both the producers and government regulators—keeping the prices the consumers paid down to the lowest levels. Unfortunately, these new, expanded foreign sources took the pressure off both making changes in laws on domestic production on one hand and production and recovery techniques essential to fostering greater domestic production on the other hand. In every aspect of oil and gas production, the price being paid by the end-use consumer was artificially low during the 1960's. We all thought we were using the world's cheapest fuels. That was wrong. We were simply paying the world's cheapest prices, deferring that day of reckoning when prices would have to rise to meet actual exploration, recovery, refinement, and marketing costs to the producer. In short, artificially low prices increased demand and consumption, while simultaneously producing disincentives for exploration and production. We thought we had the best of all worlds—low prices—when, in reality, we had the worst of both—artificially stimulated demand and depressed production.

Thus, while government policies helped to create the crisis, so too did industries' seemingly unquestioned reliance on those policies. Industry should have seen it coming. If it did and yet did nothing about it, it too is culpable. And, so too did the consumers who enjoyed fuels at below real costs and were also unwilling to pay real costs. In summary, I think all—Congress, the Executive, industry, and the consumers—share the guilt.

Has Congress learned its lessons?

I do not think so, at least not yet. Look at the myriad versions of the National Energy Emergency Act. Every version contained one or more provisions which would have kept the end-use prices below real price levels, usually in the form of so-called rollbacks. If we drive down production, we are most certainly going to continue and even worsen our present shortage problems. Increasing production will come only from the creation of incentives to production. You cannot expect industry to invest or reinvest funds, if it either never made a profit, or if the government confiscates it in the form of excessive taxes.

On the other side of the proverbial coin, we failed, as a Nation, to address ourselves to reducing adequately our demands for energy. Even if production had been increased, we were only postponing the inevitable shortages in first one energy source, then another, for all fossil fuels are limited. It is obvious now that there should have been a conscious and positive effort to reduce demand for energy in the United States. But, there was not. Now, more than ever, we must begin a deliberate program to reduce demand. If we do not, we are going to have a serious shortfall. As a matter of public policy, we need to target an attainable goal, something like reducing demand by at least 2.5 percent per annum. We simply cannot go on—as six percent of the world's population—using 30–35 percent of the world's energy consumption.

The lessons here are simple. Government policies should be based on the dual principles of increasing production and decreasing demand. If we do not heed these lessons, we are all going to be hurt further—government, industry, the consumer. Only when the dynamics between government, industry, and the consumer, and those between production and demand, come back into balance will this crisis be genuinely solved.

THE BALANCING OF ENVIRONMENTAL AND ENERGY CONCERNS

Now, what about these two concerns—adequate energy and adequate environmental protection. Too often, as I have indicated, these concerns are portrayed as being diametrically opposed to one another. I think to paint such an either-or, black-or-white picture on this issue is misleading.

Whether in physics or politics, we all know that when one facet of a tandem system gets too far out front of the other, a strong tension develops. And, the stronger the tension, the sharper the snap when they come into alignment. This is the history of energy and environment in our country. For far too many years, concern for energy went forward with little or no regard for the environment. Land was laid waste.

Then, in the late 1960's, demands for a restored environment began to catch up, through the enactment of some very strong Federal statutes. This was the snap which was all too predictable.

Because requirements were thereafter very different from what they had been before, many began to proclaim that environmental protections were about to destroy us. Sure, there were environmental excesses—instances where concerns for the environment were far outweighed by other concerns but where projects were, nonetheless, held up for inordinate periods. But, these instances were few; they were aberrations, not norms. That environmental considerations were outpacing demands for energy, however, was beginning to be reflected in projects which were being held back, making the potential fuel shortage much more of a reality: trans-Alaskan pipeline, offshore exploration and recovery, refinery expansion and construction, deepwater port development, et cetera.

One additional perspective: We must find non-political solutions to the energy crisis. To the extent that political solutions are used, we only postpone the economic realities on both sides of the scales—energy and environment. When the Congress and the government—and the people—have the stamina to use economic criteria, instead of the easy route of politics, we will have taken the biggest single step in resolving this crisis.

PARAMETERS FOR DECISIONMAKING

I am not about to stand up here and give you "answers" to this crisis. I have some ideas on specific solutions—deregulation of natural gas, the elimination of foreign tax credits, etc.—but this is surely the area where nothing I could say would be news to you.

What I prefer to do, in closing, is to recapitulate how we ought to examine proposed solutions:

Does the proposal rely basically upon the laws of supply and demand, with a minimum of interference in the market place? Is it essentially an economic solution?

Will the proposal either contribute to the

increasing of supplies necessary to meet reasonably anticipated demands on one hand or reduce consumption and demand on the other?

Will the proposal point towards greater reliance on increased domestic production, while not relinquishing to other world powers other nations' untapped resources?

Will the proposed solution seek a realistic price level for fuel consumption?

Does the proposed solution carry forward, in tandem, the dual concerns of adequate energy and environmental protection?

I think if we use these criteria as the parameters for our decision-making, we will not have allowed a cleaner environment to be the casualty of our energy needs.

Mr. Speaker, this Nation can have both a clean environment and adequate energy, if—and only if—we set as our goal the attainment of both and use a tandem strategy to achieve that goal. To this, I am committed.

AIDING THE VIETNAM VETS

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. HELSTOSKI. Mr. Speaker, one of the major obligations now confronting Congress is the responsibility we have to provide the thousands of young men who served in Vietnam with realistic and comprehensive veterans benefits and training. The Vietnam veteran is tired of empty words and false promises, and rightfully so, for we have failed thus far to provide the kind of assistance necessary to help him begin leading a meaningful life.

Unfortunately, controversy and political differences are already beginning to cloud the fundamental issues. In February, for example, the House unanimously passed legislation which would expand veterans education and training benefits by 13.6 per cent—yet the administration still clings steadfastly to the notion that an increase of 8 percent would be sufficient.

Furthermore, the Veterans' Affairs Subcommittee on Education and Training, of which I am chairman, is presently considering a proposal to provide additional tuition payments to veterans when such payments are justified. This proposal, I firmly believe, is an important step toward achieving our goal of insuring that all veterans have access to a rewarding education. However, on March 28, the day hearings commenced, the Veterans' Administration came forth to oppose this measure.

Mr. Speaker, in view of the importance and complexity of the task now facing Congress, I would like to share a column which appeared April 3 in the Washington Post. The column, written by William Raspberry and entitled "Aiding the Vietnam Vets," provides some additional insight into the problems Vietnam veterans, and particularly those of minority groups, now face. In view of the fact that I found this article extremely interesting, and relevant to legislation now before my subcommittee, I would like to share it with my colleagues. Mr. Raspberry's column follows:

AIDING THE VIETNAM VETS

(By William Raspberry)

The American people came to hate the war in Vietnam, all right. But it does not follow that they also hate the men who fought in that war.

That fact is slowly seeping through the public consciousness. And the pitiful little Vietnam Veterans Day parade staged here last week—as little and as late as it was—offered some indication that it is also seeping into the consciousness of President Nixon.

In medical care, in education, in job opportunities—in all the "extras" that we customarily heap upon war veterans—the Vietnam veterans are being short changed. The reason, I suppose, is not that they were individually less heroic than any other category of water veterans but that they are not heroes generically, because they didn't save us from anything.

The only Vietnam veterans to be treated as heroes were the returning POWs, and after the initial fanfare, even these men have been pretty much forgotten as far as the administration is concerned.

As inadequate as the country's response to Vietnam vets generally has been, it has been even more inadequate for minority veterans, a point made last week by a task force of the Leadeship Conference on Civil Rights (a conglomeration of some 135 civil rights, labor, social and religious organizations).

"Because of inadequate and poorly managed programs. Vietnam veterans—and particularly minority veterans—have been effectively denied their earned benefits and have suffered grievous problems in trying to resume their civilian lives," said June Willenz, chairman of the Leadership Conference's Task Force on Veterans and Military Affairs.

She pointed out that while blacks comprised only about 12.6 per cent of the armed forces personnel, they accounted for roughly 20 per cent of the combat fatalities.

"Minority veterans who bore the brunt of a discriminatory discharge policy while in military service are now being discriminated against upon their return to civilian life," she said.

That last was in reference to a point made by the National Urban League earlier last month during House hearings on amnesty: that black GIs have received a disproportionately large share of less-than-honorable discharges from the military.

Ronald H. Brown, director of the League's Washington bureau told the hearing:

"The military, like the vast majority of our other institutions, has somehow learned to dispense justice in discriminatory measures. Minority members were drafted in greater numbers, assigned in greater numbers to front-line duty or to unskilled, dead-end jobs, and generally abused by the unfair system of military justice. Finally, those who were called upon to bear the brunt of duty were ejected in greater numbers with less-than-honorable discharges."

The less-than-honorable-discharge represents far more than a blot on a veteran's record. According to those who have studied the problem, such discharges are often used as a basis for denying employment.

Even many discharges that appear to be honorable, are "coded with personal characteristics which may serve to discriminate against millions of men who are not even aware of the presence of such codes," Brown testified.

While the discharge codes can work against any veteran, they work "a special hardship on minority veterans, who already face many hurdles in the American society," Brown said.

He said that there is evidence that many major employers are able to decipher the codes, even though most veterans have no idea what they mean. (The Defense Department announced last week that it would no longer code discharges.)

Unfortunately, the Urban League, the NAACP and other member groups of the Leadership Conference have had little success in getting the government to act on the special complaints of minority GIs—which isn't surprising in view of how little attention has been paid the plight of white GIs.

There is very little reason to be hopeful about the prospects of reinstituting special programs for minority veterans, but it wouldn't be surprising to see a major administration move to upgrade benefits for Vietnam veterans generally.

The President, so desperate for some gesture to improve his ratings that the has dredged up even the old standby of school busing, may find it politically attractive to climb aboard the veterans' bandwagon.

THE FUTURE OF DÉTENTE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. ASHBROOK. Mr. Speaker, President Nixon has told us in glowing terms that we are approaching a generation of peace. One of the main reasons for his optimism is the current U.S. policy of seeking détente with the Soviet Union. Nixon believes this policy will result in a new accommodation with Kremlin leaders.

Nixon's optimism, however, is premature. No one should know this better than Henry A. Kissinger, who has been the chief architect of détente. After the Soviet invasion of Czechoslovakia in 1968, Kissinger wrote the following:

There have been at least five periods of peaceful coexistence since the Bolshevik seizure of power, one in each decade of the Soviet state. Each was hailed in the West as ushering in a new era of reconciliation and as signifying the long-awaited final change in Soviet purposes.

Each ended abruptly with a new period of intransigence, which was generally ascribed to a victory of Soviet hardliners rather than to the dynamics of the system.

The United States cannot afford to rely on Nixon's illusory promise of peace. Too many times our hopes have been dashed by a militant Soviet Union.

Kissinger's much heralded yet unsuccessful trip to the Soviet Union demonstrates this point once again. Columnist Milton Viorst, formerly a strong advocate of Nixon's policy of détente, writes:

Secretary of State Henry Kissinger's empty-handed return from Moscow last week exposes with embarrassing clarity a basic flaw in at least one dearly held tenet of liberal political theology.

The tenet was that if a spirit of friendliness—modishly known these days as "détente"—were established with the Soviet Union, then a process of practical achievement would automatically follow . . .

It's a disappointment that, to the Russians, détente is a strategic device—but it leaves us no choice but to revise our own conceptions accordingly.

Following is the complete text of Mr. Viorst's column:

IT'S TIME FOR A REVISION

(By Milton Viorst)

Secretary of State Henry Kissinger's empty-handed return from Moscow last

week exposes with embarrassing clarity a basic flaw in at least one dearly held tenet of liberal political theology.

The tenet was that if a spirit of friendliness—modishly known these days as "detente"—were established with the Soviet Union, then a process of practical achievement would automatically follow.

This tenet was based upon the premise that despite the popular American mythology that the Russians have been provoking us, we also have been provoking the Russians—and if we stopped, a new international amity would prevail.

This is the tenet which lay behind the so-called "revisionism" in which liberal as well as radical historians have engaged in recent years.

Depending on how revisionist they were, these historians may or may not have put some of the blame for the Cold War on Josef Stalin. But they argued invariably that the hostility which emanated from Washington made Soviet-American conciliation impossible.

I'm not suggesting that we have reason now to dismiss the lessons of the revisionists. They taught us much that we did not know, by indifference or choice, about the sequences of events of the postwar years. They forced us to rethink our way out of our self-righteousness.

But even revisionism must be subject to its revisionism—and now it's apparent that history, like diplomacy, lends itself poorly to theological verities.

The argument that the Cold War never would have happened but for the designs of the Trumans and Achesons surely is an oversimplification—just as the promise that a new era of amity would follow the purging of our Cold War attitudes has proven terribly naive.

I am willing to accept the sincerity of Richard Nixon and Henry Kissinger in wanting to give Soviet-American relations a new start. It is one of those paradoxes of democratic politics that only the most conservative, most anti-Communist of presidents could have reversed the old hardline course.

I'm not suggesting that this new direction was taken in a void. The administration kept an eye on traditional security requirements, and on the demands of the Pentagon, the business community and the electorate. But it decided that detente was genuinely in its interest, and the country's.

Most liberals applauded this course. Indeed, in the 1972 election, many haters of old Tricky Dick crossed over to cast a Republican vote solely and exclusively because Nixon had, presumably, ended the Cold War.

I shared this feeling of approval and, during the 1972 campaign, extolled Nixon for adopting the liberal tenet. I became suspicious of it only when I visited Moscow, just after the election, and from conversations there acquired some notion of what the Kremlin had in mind.

I wrote of my suspicions after my return, for which the Soviet Embassy, in a letter to the Washington Star-News, denounced me as an "old-fashioned cold warrior."

What Brezhnev and his associates seem to me to have decided is that detent is not an end in itself, which is how Nixon and Kissinger see it—but an alternate channel for achieving certain policy objectives that had previously been blocked.

The principal objectives were (1) neutralization of the United States in the event of a Sino-Soviet war and (2) the acquisition of American technology to make up for the huge lag in the Soviet Union's appalling backward consumer economy.

Since the United States has no interest in involvement in a Sino-Soviet war, objective (1) is no problem. But objective (2) must be considered within the general framework of detente, along with differences over the Middle East, the nuclear arms race and European security.

Indeed, under the old liberal theology, they should all be on their way to resolution. But they're not, and Kissinger came back from Moscow empty-handed. It's a disappointment that, to the Russians, detente is a strategic device—but it leaves us no choice but to revise our own conceptions accordingly.

THE NEED FOR A WORLD FOOD RESERVE

HON. JOEL PRITCHARD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. PRITCHARD. Mr. Speaker, last October 16 I placed in the RECORD an article by Lester R. Brown, "The Need for a World Food Reserve," and an article by Dr. Roy L. Prosterman, "The Growing Threat of World Famine." It was my purpose at that time to alert my colleagues to the growing severity of a world food shortage, and what such a condition would mean to world stability and peace, not to mention the terrible human suffering involved. Since then the news media has carried the anguish of Ethiopia and the Sahel into the homes of millions of Americans. Seeing people starve to death is a terrible experience, and immediately demands an explanation as to what the United States is doing to relieve the situation. Accordingly, on February 15, I wrote Secretary of Agriculture Earl L. Butz on specifically what the United States food response was to the drought-stricken nations of West Africa. On March 1 I received a reply from Mr. Richard J. Goodman, Acting Administrator, Foreign Agriculture Service, which I would like to insert in the RECORD:

FOREIGN AGRICULTURAL SERVICE,
Washington, D.C., March 1, 1974.

Hon. JOEL PRITCHARD,
House of Representatives.

DEAR MR. PRITCHARD: This is in reply to your letter of February 15 to Secretary Butz concerning the drought situation in West Africa.

The drought in this region has been going on for several years and its cumulative effect is increasing. The countries in this area are among the poorest in the world and therefore receive commodities through the Title II donations program of the United States Food for Peace Program. They also received grants from other donors such as the European Community, United Nations organizations, France, Canada, and Sweden.

Currently, this area is receiving priority consideration in the programming of P.L. 480 commodities. This is being made available despite high domestic prices and the tight supply situation to meet a serious food shortage problem. We have, at present, pledged slightly over 500,000 metric tons of grain for food. About 150,000 tons was pledged in the last six months of Fiscal 1973 and the balance has been pledged this fiscal year. The grain is scheduled to arrive in the needy areas by next September—the start of the traditional rainy season. We will, of course, continue to assess the situation.

Great attention is being given this area by U.S. agencies. In addition to the food aid being provided, the Agency for International Development (A.I.D.) has launched a new rehabilitation and recovery program in the region. The initial allocation for this effort is $20 million. The program will concentrate on four major areas: (1) food storage and transport, (2) range management and irrigation, (3) agricultural production, and (4) public health facilities. This will be a start on the long-range task of halting the ecological and economic deterioration of the area which will require a sustained international effort.

We hope the above information is useful to you and your constituents.

Sincerely,

RICHARD J. GOODMAN,
Acting Administrator.

On March 3, the Carnegie Endowment for International Peace released a detailed study on aid given to the drought-stricken countries of West Africa. This controversial report claims "a pattern of neglect and inertia" in the administration of relief by the United States and the United Nations. It raises many questions which have not yet been adequately answered.

Last December, the Congress passed H.R. 11771 which included $150 million for disaster assistance for the Sahel, Pakistan, and Nicaragua. However, no money was forthcoming since the bill contained a qualifying clause which stated that funds "shall be available only upon enactment into law of authorizing legislation." On March 28, we in the House passed H.R. 12412, the necessary authorizing legislation, which specifically allots $50 million for Sahel disaster assistance.

As a dramatic example of individual concern for the suffering in West Africa, the African Drought Relief Committee has been organized in Seattle, and has been formally endorsed by the Seattle City Council. It will be my great pleasure to participate in a fund raising benefit for this organization on April 20 in Seattle.

LEST WE FORGET

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. HUNT. Mr. Speaker, a statement of simple eloquence, and modest size, recently appeared in the April 1, 1974, edition of the Woodbury Times, Woodbury, N.J.

Because so many of us share the views expressed in this message, I wanted to bring it to the attention of all my colleagues. It is so refreshing, to me anyway, that in these complex times, when an overabundance of words is being bandied about, that my dear friend, and outstanding citizen of Pitman, N.J., Mr. William P. O'Halloran, can sum up the feelings of so many with this simple statement.

With thanks to Mr. Halloran, I submit his message to the RECORD:

LEST WE FORGET . . . AMERICAN WAR CASUALTIES

Yesterday—0.
Last week—0.
Last month—0.
Last year—0.
Thank you, Mr. President.
Hang In There.

WILLIAM P. O'HALLORAN.

ARTHUR COLLINS—MAN OF THE YEAR

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mrs. HECKLER of Massachusetts. Mr. Speaker, with public confidence in Government at an all-time low, it is important that we remind ourselves that across this great land thousands upon thousands of men and women continue to serve the public with great dedication, ability, and integrity.

One such "unsung" hero is Arthur Collins, town clerk of Sharon, Mass., in my 10th Congressional District, and a dear personal friend. Arthur, with his years of selfless public service, exemplifies what is good about our public officials, and ultimately, what is good about America.

Recently, the Norfolk County Lodge of B'nai B'rith sponsored a long-overdue recognition of Arthur Collins, naming him their Man of the Year.

Donald P. Farwell, Sharon's witty and competent town treasurer, made some provocative and amusing remarks about Arthur, remarks I would like to share with my colleagues. His speech follows:

SPEECH OF DONALD P. FARWELL

Arthur E. Collins is truly a legend in Sharon. To my knowledge this is the first opportunity that there has been to put to rest some of the embroidered stories that never did occur in this man's history, and to lend credence to those which are appropriately a part of his past.

First, let's dispell the skeletons which have haunted this man's reputation by disputing some of the claims on an item by item basis. For instance:

We do not believe that while placing hay into a hay loft during his youth that Arthur Collins lost his pitch-fork and was stranded in the hay-mow because fellow workers took away the ladder until he found the pitch-fork.

We do not believe that Arthur Collins reproduced the answers he found for a high school economics class test. Nor do we believe that the teacher was so astounded with his test score that she had him go up and down the aisles of the class showing his exemplary paper.

We do not believe that it was the youthful Arthur Collins who pulled in the false alarm from atop Moose Hill—in spite of what the officer in Sharon Square said.

We do not believe that Collins is a tall iced drink with a base of distilled liquor.

We do not believe that in spite of the fact Sharon built a new town hall in 1962 that Arthur Collins is the only remaining relic of the old building not buried in the parking lot.

We do not believe that the drapes in Arthur's office at the new town hall were brought for any other purpose than to keep out the drafts from the extremly cold west winds to which his office is exposed.

We do not believe that all of Sharon's employees were polled before this gathering here tonight to find out what could be said about this man, and that their replies, to a man, when asked about Arthur Collins, said, "Arthur who?"

So much for the un-truths. Now for what we do believe.

We do believe that streaking is not new to Sharon. Its first streaker was King Philip, who streaked by Lake Massapoag on his way to his cave on Mansfield Street. That in itself is significant tonight because the only living person to remember that event is your guest, Arthur E. Collins.

We do believe Arthur, that this night is one which you will long remember. Perhaps not so much for what happens *here* at the high school, but more, because while you've been here with us, it has given the scoundrels time to clean all the valuables out of your house.

We do believe that Arthur is thrilled to see Margaret Heckler here this evening, and every time she comes to Sharon. Perhaps more than she knows, she has helped Arthur to fulfill his life-long ambition and carry out his theme song of—"I Love a Parade".

We do believe that Arthur learned how to do bookkeeping by copying the work of the fire chief when they were together in high school. That's why Arthur has so many "hot" tips.

We do believe that Arthur's handwriting is so bad that the auditors can never disprove his figures. No matter what the figures should be, Arthur's handwriting looks like that is what it could be.

We do believe that this "Marrying Sam's" personal wealth should be a matter of public record. His stock reply, when asked by the groom what his fee will be for the marriage ceremony, is, "what do you think she is worth?"

The previous notwithstanding, we do seriously believe that there is no one who has served in any capacity with Arthur Collins who has not been impressed with his dedication to the task at hand. Employees, townspeople, and all others, young and old, who come in contact with this man are appreciative of his thoughtful and helpful attitude. Arthur is both profound and pleasant, and we who know him are double beneficiaries of the credit and recognition which he brings to public service.

We do believe that Arthur is a dominant force in reconciling differences in Sharon's political life. His persuasive personality and astute analysis have extinguished many fires before they reached major proportions.

For all these reasons, we wanted to arrange for something to serve as an indication of our esteem for Sharon's outstanding town clerk and accountant. Therefore, the employees of the town of Sharon have something for you, Arthur, which we hope will be an aid to you on many occasions in the future.

First, it is a device which will hopefully assist you in counting votes at elections.

Second, it is an instrument for figuring the balances in the town's accounts.

Third, we hope it will be beneficial to you in computing your winnings at Foxboro, should you ever go there.

Lastly, we hope it will serve as a constant reminder to you that you "count high" with us.

Arthur, here is your abacus.

PERSONAL INCOME TAX

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. WHALEN. Mr. Speaker, today my wife and I mailed to the Cincinnati Office, Internal Revenue Service, our form 1040 for the year 1973. Accompanying this return was a check for $7,939.91, representing the "Balance Due IRS"—line 23—on a total tax liability for 1973 of $26,860.31—line 16.

In submitting our form 1040, Mrs. Whalen and I signed the following statement appearing at the bottom of page 1:

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct and complete.

I presume that all other American taxpapers will sign this same statement.

As I did for 1972, within the next few weeks I will provide for the RECORD a complete breakdown of my family's income, including taxes paid, for the year 1973. Also, I will include with this statement a complete listing of my wife's and my assets, liabilities, and net worth along with those of each of my six children.

PUBLIC WORKS SUBCOMMITTEE HOLDS HEARING IN INDUSTRIAL CALUMET REGION OF INDIANA

HON. RAY J. MADDEN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. MADDEN. Mr. Speaker, the 93d Congress has passed a number of important pieces of legislation pertaining to our economy, education, health, rural problems, and so forth.

When this Congress, for the first time in history, recognized the catastrophic effects of congestion and other transportation difficulties in our urban areas, it crystallized the necessity of immediate action to clear up this traffic menace to the future progress of metropolitan areas throughout the Nation.

The Public Works Committee of the House, 2 weeks ago, designated several subcommittees to hold hearings in some of our congested cities, in order to prepare a comprehensive and equitable public works bill to carry out the purposes of the Federal Government's mass transit relief program.

The Calumet region of Indiana is probably the No. 1 concentrated industrial area in the Middle West. The cities of Gary, Hammond, East Chicago, Whiting, and other suburban areas are located immediately adjacent to the city limits of the city of Chicago, on the south shore of Lake Michigan and are in the immediate path of all auto, truck, and railroad transportation coming from the East, entering and passing through the city of Chicago, and also similar traffic passing in the opposite direction.

Last Friday, a subcommittee of the Public Works Committee held traffic hearings in the city of Chicago, and on the following day, Saturday, April 6, held hearings in the city of Hammond, Ind. Testimony was taken from the mayors of Hammond, Gary, East Chicago, and Whiting, also from members of the chambers of commerce, representatives of industry, retailers, and so forth.

Mr. Speaker, I submit with my remarks a news item from the Hammond, Ind., Times, setting out some of the facts concerning traffic congestion in the Calumet region.

The news item follows:

THE RAILROAD BLIGHT: AN END IS IN SIGHT

There are 120 rail and roadway grade crossings in Hammond.

Nearing 50 trains roll through the city on an average day.

They threaten life and limb.

They impede police on emergency calls.

They delay firefighters and ambulances.

They frustrate and enrage commuters, shoppers and shippers.

They are increasingly a millstone around the neck of established commerce, they empty storefronts.

Tomorrow, for the first time in more than 60 years, Hammond will be within reach of a solution to its oldest problem; a solution of benefit to every man, woman and child living, working, visiting or traveling within its limits.

The Public Works Committee of the U.S. House of Representatives is coming to town to study railroad crossing tieups, and how to fix 'em.

Rep. Robert Jones, D.-Ala., is chairman. With him will be Rep. John Klucynski, Chicago Democrat, and Rep. Robert Hanrahan, Homewood Republican. Also in town: chief committee counsel Richard Sullivan, and consulting engineer Lloyd Reward.

They're here at the behest of Rep. Ray J. Madden, 1st District Democrat and one of the senior statesmen of the 93d Congress, who has been in the forefront of the assault on the Hammond railroad problem.

At a luncheon-hearing, the committee will hear community sentiment concerning a plan to relocate Hammond railroad traffic over one existing right of way, thereby freeing most of the city from traffic jams, danger, delay and economic strangulation.

Developed by Mayor Joseph Klen's Rail Relocation Committee, the plan is the most positive step ever toward solution.

It would condemn no property, ease the burden in every part of town.

It would add to existing track on right of way already railroad-owned.

It would more fully utilize already-constructed overpasses, add two new overpasses over the Penn-Central at 165th and 173rd and an underground pedestrian crossing at Morton School.

It has the support of six railroads, The Louisville and Nashville, Erie-Lackawanna, Chesapeake and Ohio, and Norfolk and Western would all redirect traffic, the Penn-Central and Indiana Harbor Belt own the tracks over which much of the redirected traffic would roll.

It would make available for public use and commercial development miles of old commerical development, miles of old railroad right of way through much of Hammond, adding to the tax base and easing the real estate tax burden.

It would eliminate 40 per cent of current grade crossing traffic problems, including:

School buses and public conveyances dodging around lowered crossing gates.

Elementary, junior high and high school pupils sneaking through, over and under trains stopped at crossings.

95 persons killed or injured in 70 railcar accidents in the last six years.

262 ambulance delays for a total of 719 minutes in 1973.

53 fire truck delays for a total 130.5 minutes in 1973.

24 hours, 38 minutes of derailment-delay in 1973; 242 hours, 48 minutes of derailment-tieup already in 1974.

Uncounted hours of commuter, jobholder, shopper tieup daily.

There is support from major Region unions; from the Steelworkers and the Teamsters.

There is support from police and fire officials, from the Chamber of Commerce, from industry, from major civic establishments, from utilities and truckers.

The improved traffic pattern for all of Hammond would be more attractive to new industry and jobs; make more secure the jobs that are already here.

Relocation in Hammond is endorsed by the Northwest Indiana Planning Commission as a "good start" for the 25-year program envisioned necessary to improve railroad traffic patterns throughout the Region. Outlying problems can be solved only after the Hammond hub has been fixed.

A great many citizens—and their collective well-being—are intent this weekend on the deliberations of the House Public Works Committee convening in Hammond.

They are nearer than ever before to solution of the rail crossing tieup that has been a blight on their city, their Region and their lives.

EFFECTS OF THE ENERGY CRISIS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. ROSENTHAL. Mr. Speaker, though the so-called energy crisis apparently has eased, its effects are continuing in the form of worsening inflation. A man who has done much original research in the area of "ripple effects" of the energy crisis, Matthew J. Kerbec of Output Systems Corp., in Arlington, Va., is convinced that sudden massive energy price hikes are the single greatest contributor to today's spiraling rate of inflation.

In a letter to President Nixon, Kerbec suggests a number of steps, including a price rollback for crude oil—which the President heretofore has opposed—stabilizing the U.S. economy by subsidizing import costs of energy, and investigating in more detail revelations about the "profits and monopoly practices" of the Arabian American Oil Co.—Aramco. These revelations surfaced during recent Senate hearings.

I insert Mr. Kerbec's letter to the President into the RECORD:

OUTPUT SYSTEMS CORP.,
Arlington, Va., April 5, 1974.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: This is our second report to the Office of the President directed toward presenting the inflationary effects of the sudden massive energy price hikes which have been implemented in the past six months.

For the first time since the Department of Labor began publishing the Wholesale Price Index, the price of fuels, related products and power have reached all time highs. The March 1974 Wholesale Price Index shows that all fuels (coal, gas, electric power, crude petroleum, refined petroleum products) have climbed 83.3% from March 1973 to March 1974. In the same period crude petroleum went up 75.5% and refined petroleum products spiralled to a new high of 145.7%. Remember these price indices are at the wholesale level and still have to be marked up through the industrial sector before filtering down to the ultimate consumer.

To put this in some meaningful perspective, it is informative to compare the 1973 sales of some of the largest industries as presented in the March 9, 1974 edition of Business Week. Oil led the list with sales of $117.9 billion, automotive was second at $95.174 billion, food processing accounted for $60.350 billion, electrical and electronics $39.959 billion, chemicals $35.501 billion and steel sales amounted to $28.501 billion.

More to the point, conservative estimates for additional refined petroleum product costs to be absorbed in 1974 will be $43.9 billion (see Table 1 for calculations). In accordance with Corollary 3 of the "Kerbec Energy Theory" which states:

"An energy cost is associated with obtaining, producing and/or transporting all raw materials and products and these costs are multipled and accelerated as they ripple through a profit oriented socio-economic society."

This $43.9 billion has the potential of more than doubling before reaching the retail level. It is interesting to note that if one dollar of energy costs in any raw material or product goes through three profit centers and is marked up 30% in each center the total compounded sum will amount to $2.19.

This is of course true for all commodities but Corollary 3 tells us that at each processing or transporting operation (without exception) an additional energy cost is incurred and creates new ripple effects. Thus, energy has more price leverage than any other commodity in that it is present in every product and activity. Contrary to the opinion of many private and government analysts, energy price effects are not a one-shot phenomena but are only the trigger which stimulates the following cumulative inflationary effects:

1. Agriculture and industry has to respond by equivalent massive price hikes. *Price and wage controls become meaningless* because massive increases in the prices of fossil fuel inputs and related raw materials make higher prices mandatory if energy intensive industries such as steel, food, transportation, petrochemical, power generating and other industries are to survive. The impact of current Cost of Living Council manufacturing price decontrol actions are now in the process of being converted into higher consumer prices.

2. Union workers are forced to ask for, at least, equivalent cost of living wage increases to meet the current inflation rate. Labor is the greatest operating production cost in the U.S. and when manufacturers again crank up prices to pay for increased labor costs a new massive price ripple effect is started and will continue even if energy prices are rolled back. The inflation rate was 10.2% for the past twelve months.

Many state and municipal governments are now faced with union demands for cost-of-living escalator clauses in addition to direct wage increases and fringe benefits. The New York Transit Authority, for the first time allowed a cost-of-living clause in addition to a graduated 14% wage increase in its latest labor contract. Other New York unions are on record as seeking similiar concessions for police, firemen, sanitation and other workers.

In addition, skyrocketing fuel costs are driving many local governments toward insolvency and these governments will require large tax increases and/or massive injections of Federal aid to maintain essential services. Private bus companies in New York are asking for a 41% fare increase and there is no reason to believe that this fuel-wage cost spiral will not be experienced by all government entities. Again, energy price hikes were and are the primary *cause*—wage, tax and price increases are *effects*.

3. Reduced buying power caused by massive inflation will effect employment. Greater percentages of income will have to go for necessities, spending patterns will be distorted and savings, investments and interest rates will be affected. In 1973 approximately 63 million of the total 83 million workers in the U.S. were not represented by unions. Depending on how incomes vary for the 63 million nonunionized workers relative to a greater than 10% rate of inflation, it is certain that less goods and services will be purchased. Under these conditions there will be pressure to reduce savings and capital investment.

4. With rising inflation, the demand for luxury products and non-essential items, depending on income distribution, will decrease leading to more layoffs that will affect executives and workers at all income levels and will further impact savings investment and interest rates.

The inflation-recession pressures will primarily be related to what happens to the spectrum of disposable income by the middle 60% of all wage earners. (In 1972 the bottom 20% of all family income resulted in an average annual income of less than $3,500 for more than 10 million families.) As inflation keeps rising more and more people are relentlessly being squeezed between soaring prices and relatively fixed incomes which generates a socio-economic environment that may well lead to violence or other anti-social and anti-governmental actions. Events after Effect 4 are anyone's guess. The U.S. is definitely at Effect 1 with prices continuing to rise at unprecedented rates. Effects 2, 3 and 4 are showing the same type of activity now being felt in Great Britain and Japan. One thing is certain—there will be delayed effects long after the high priced energy is fed into our economic system.

For example, according to a February 15, 1974 Wall Street Journal article, fossil fuel based chemical "feedstocks" such as various styrenes and resins rose 50% in February 1974. These products go to over 300 industries with total sales over $100 billion and are used in the manufacture of items such as phonograph records, vinyl flooring, plastic containers, tires and tubes and electrical appliance parts and other products. Also in the past six months basic steel has increased their prices over 10% with more to come starting another series of rippling price effects. These increases have yet to be felt at the retail level. On the food labor front new precedents were set by the Philadelphia meat-cutters union. In addition to graduated pay increases of 19% they negotiated an "open ended" cost-of-living clause which means that as the cost of living goes up, wages go up and prices increase again to pay for the wage hikes. The United Mine Workers have served notice that they will ask for a similar clause. Again it is strongly emphasized that these wage increases are *effects*—the primary *cause* was the sudden massive energy price increases.

In view of the above considerations I respectfully offer the following suggestions:

1. Reverse your opposition to a price "roll back" for crude oil. The massive percentage price hikes allowed in the past six months have set precedents which are causing coal and natural gas prices to follow crude oil prices and each of these commodities are stimulating additional growing ripple price effects in all basic industries with resulting equivalent wage demands. It is important to remember that almost all of these inflationary effects are due to price increases that have little or nothing to do with changes in production costs and this situation is analogous to the 1929 stock crash in that stock prices at that time were bid up to the point where they had no relationship to the value of the stock.

2. Stabilize the economy of the U.S. by subsidizing import costs of energy. I do not believe that there is anything more unsettling for American businessmen or consumers than to be exposed to a daily barrage of news concerning the probable actions of the oil exporting countries that might result in still higher energy prices and/or shortages. On April 1, 1974 the Wall Street Journal reported that Indonesia had again raised its price for crude oil from $10.80 per barrel to 11.70.

The head of your energy office, William E. Simon, has repeatedly been quoted as saying we have no control over foreign oil prices. A suggested approach is that he reactivate the team that was so successful in implementing the oil import quotas. If the U.S. can be shielded from a drop in foreign oil prices there is no reason it cannot be shielded from a price rise even if subsidies are required, particularly when only 15% of our total energy needs are imported. From any management standpoint there is absolutely no logical reason to allow the entire U.S. economy to be levered by the actions of foreign oil producers and there is no other conclusion except to admit that our management has lost control of our economic system. The stabilization of our economy is a fundamental responsibility and of necessity must be considered as a top priority .

3. Shocking revelations were surfaced by the Senate Subcommittee on Multinational Corporations during their hearings concerning the profits and monopoly practices of the Arabian American Oil Company (ARAMCO). According to a March 28, 1974 front page Washington Post article, ARAMCO Senior Vice President Joseph J. Johnson, was asked repeatedly what incentive ARAMCO and its owners had to press for lower prices—he was unable to suggest one. Also, ARAMCO supplied data showed that in 1973 ARAMCO dividends increased by 350% ($2.59 billion). In the same preiod the royalties and income taxes collected by Saudi Arabia also rose by 350%. If this is true it represents price gouging on a tremendous scale when it is realized that the operating and general expenses associated with producing a barrel of crude oil is about 20 cents. According to the testimony, ARAMCO's profit went from $2 per barrel after the embargo in 1973 to about $4.50 thus far in 1974, and that these profits were made as the result of and during our domestic energy crisis. The testimony also indicates a systematic planned pattern of price fixing, monopolistic practices and controlled production.

Mr. President, I strongly suggest you initiate action to start Grand Jury hearings under a Special Prosecutor such as Leon Jaworski and start examining this testimony and evidence in addition to the Federal Trade Commission's allegations of unlawful monopoly.

For those who believe that our continuously climbing inflation is going to stop or taper off in late 1974, let's look at inflation in other countries who have allowed energy prices to reach cartel levels. Great Britain is now at a 20.4% rate of inflation with Japan runnning a close second at 20%. France, Italy and other European countries are also experiencing climbing inflation rates.

The U.S. is showing the same upward climb in prices and wages and if some rational energy price actions are not taken soon, we will be locked into a price-wage-recession-inflation spiral that no one can stop. It is not necessary to be an economist to realize that the financial health of all industries depends on the financial health of the consuming public and if one gets sick both get sick.

In closing I would like to leave one basic question open: "How Can You Logically Budget or Allocate Resources to Achieve Energy Self Sufficiency at a 20% or Greater Rate of Inflation?" For those who say it can't happen here Great Britain and Japan did not think it could happen either.

Sincerely,

MATTHEW J. KERBEC,
President.

THE TRADE REFORM ACT

HON. SAM GIBBONS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. GIBBONS. Mr. Speaker, I would like to bring to the attention of my colleagues a statement I made recently on the Trade Reform Act.

The statement follows:

STATEMENT OF HON. SAM M. GIBBONS, DEMOCRAT OF FLORIDA, BEFORE THE SENATE COMMITTEE ON FINANCE ON THE TRADE REFORM ACT, APRIL 1, 1974

Mr. Chairman and Members of the Committee, I appreciate the opportunity to appear before you today to talk briefly about some of the considerations which I believe are very important as you begin to make decisions on the proposed Trade Reform Act.

I notice that the arguments you've been hearing on trade are pretty much the same ones that we on the Ways and Means Committee heard during our five months of deliberations on the trade bill. It was good to see that at least some of your witnesses praised the House-passed version of the bill as an improvement over the Administration's original proposal. I think this is so, and I sincerely hope that the decisions we made and the language we drafted will be helpful to you and may even shorten the time you have to spend marking up the bill.

As you know, the Ways and Means Committee is not known to be a bunch of free traders, and I can certainly vouch for the accuracy of that reputation. It came as a bit of a surprise to many people, I think, that the trade bill finally approved by the Committee—by an overwhelming vote of 20 to 5—was as well balanced and as carefully drawn as it was. I have talked to both supporters and opponents of a continued expansion of world trade who feel that the bill we approved was, all things considered, quite a satisfactory one.

It grants to our negotiators the flexibility and strength they need to strike sound and mutually beneficial bargains with our trading partners, but it introduces a great number of procedural safeguards and consultation requirements—far more than were requested by the Administration. By providing for Congressional review and even possible veto of important trade decisions, it also gives real recognition to the Constitutional grant of power to the Congress to "regulate foreign commerce."

The House-passed bill is a real improvement over present law with regard to providing relief from the effects of unreasonable import competition. All forms of import relief are made easier and quicker to get and adjustment assistance is made more generous.

I didn't come here to pat myself on the back for the House-passed trade bill. Indeed, there are a few provisions in the bill that I would like to see deleted, and there are amendments which I fought for in the Committee that are not included in the bill. However, the decisions on all of these matters are now in your hands.

NOW IS THE TIME TO MOVE FORWARD ON TRADE

The reason I asked to be heard by you is this: I believe strongly that a continued expansion of mutually beneficial trade among the nations of the world is very important to this country, both economically and politically. Therefore, the timely enactment of a good trade bill is deserving of our best efforts. In fact, such fairly recent developments as world-wide energy and food shortfalls and galloping inflation have made it even more urgent that we continue to assume world leadership in finding cooperative solutions to world-wide economic problems. The proposed trade bill is an integral part of our efforts in this area.

You are, of course, familiar with the traditional arguments on why trade is so important to us, so I won't dwell long on these. Many of you have seen in your own states just how important export business has become to many of our factories and farms. In an era of resource shortages, imports have also become important to both

consumers and producers. Today, more than 14% of our goods are exported, and about 14% of the goods we consume are imported. Some of our industries, such as aerospace and agricultural chemical industries export 40–50% or more of their production. Moreover, we are dependent on imports for more than 50% of 6 of the 13 major raw materials need by our industries.

It's no longer possible for us, or perhaps any nation, to cut off trade and investment flows and say that we will "go it alone." Trade and investment and the operations of the MNC have simply become an integral part of growing economies here and abroad. Our choice is not whether we will "allow these to exist" or not, but whether or not we will harness and regulate these phenomena for our benefit and that of the rest of the world—and whether this country will reassume the leadership role in this area that we assumed at the end of World War II.

Some of those who testified before the Ways and Means Committee painted trade issues in terms of black and white. All of us know that this is no longer possible, if it ever was. To be sure, the issues involved in trade are complex and politically sensitive ones. They cut right across employment problems, foreign policy attitudes, and the vested interests of numberless economic groups—and they cannot be solved easily. If they could, it would not have taken the Ways and Means Committee five months to report out a trade bill. Literally cutting off trade and investment, as some have suggested, would not have taken the Committee long at all. However, it soon became clear that such a step would have been no solution at all. Also, we realized that we could dismiss these issues, or not act on them, only at our peril.

The Ways and Means Committee soon found that some of those who testified on the trade bill simply did not want a trade bill enacted and had no interest whatsoever in working with the Committee to come up with a balanced bill. This was hard to understand, since some of these people would benefit greatly by the approval of a good, balanced trade bill. Nonetheless, these people continued to cling to their simplistic and illusionary proposals to virtually cut off trade and investment even after these had been rejected by large margins in the Committee.

It couldn't be more clear, it seems to me, that this country has everything to gain from approving a sensible trade bill and maintaining the momentum toward a new round of international trade negotiations designed to reduce the barriers to trade.

It's a puzzle to me that some people feel that this country should not enter into trade negotiations. It's not going to be easy to work out mutually beneficial trade agreements. Obviously, each country has to give up something for what it gets in terms of reducing the trade barriers that have been erected, and each trade agreement will affect economic interests in the various countries. However, the demand for U.S. products is great world-wide and it is growing fast. There are a great number of barriers to the entry of U.S. exports into other countries and we have everything to gain by at least undertaking trade negotiations and making a real start toward reducing trade barriers.

The U.S. economy is becoming ever more dependent on trade for continued growth and the reduction of trade barriers is becoming ever more important to us. Something which we sometimes tend to forget—that our businessmen discovered long ago—is that there's a great wide world beyond our borders which offers tremendous outlets for our products, as well as new sources of raw materials for our industries.

Right now, we can negotiate from a position of strength with our trading partners. Our economy is strong. We have been affected by the Arab oil boycott and the four-fold increase in the price of crude oil this last year far less than countries who are more dependent on imported oil for their energy supplies. The floating of national currencies has provided needed flexibility in the international monetary system, and the strength of our dollar in this new scheme of things reflects the strength of our economy.

It's been the fear of some that our trade negotiators would "sell out" certain American interests. This fear is, I think, baseless, and has been made completely irrelevant by those sections of the House-passed trade bill which require prenegotiation procedural safeguards and continuing close Congressional scrutiny of the negotiations and their results.

If we do not move forward in entering a new round of trade negotiations, we have much to lose besides the opportunity to eliminate or reduce existing barriers to U.S. exports. In the world economy, not to move forward is to drift backward toward the kind of economic stagnation, resurgent nationalism and isolationism which we knew in the 1930s, and even toward war itself. The sudden emergence of food and fuel shortfalls, rampant inflation, and high-cost oil has made this "drift backward" a potential headlong rush toward trade restrictionism and isolationism.

We saw what happened in the '30s, when we imposed the Smoot-Hawley tariffs in an attempt to reduce our depression-level unemployment. We found too late that the only result was trade retaliation by the other countries of the world, a worsening world-wide depression and economic conditions which helped lead up to World War II.

It's perhaps not too far-fetched to say that the economic conditions we face today present the same kind of challenge to a peaceful and continually functioning world economy as those of the 1930s.

The four-fold increase in world crude oil prices in the past year is likely to lead to balance of payments deficits for all of the developed countries. Already we are seeing our $1.7 billion trade surplus of last year pared down by the greatly increased prices we must pay for imported oil—and we are one of the countries of the world least affected by this phenomenon!

Already there are signs that some countries will try to pass their billions of dollars in balance of trade and payments deficits resulting from higher oil prices to other developed countries by import restrictions, unreasonable export subsidies, or competitive devaluations. This simply is not possible. There literally is no place to which these deficits can be passed. They share a common cause and they are shared by all developed countries.

This is to say nothing of the less developed countries. The food, energy and fertilizer shortages and the high prices they face today subject them to the real danger of not only even lower rates of economic growth, but, for some, even famine.

The severity of this problem cannot be overemphasized, for, as we've learned all too vividly in the past, world economic problems which are neglected spread like wildfire. This is more true every day, as countries become even more interdependent.

We must and of course are making all kinds of different efforts on the international scene to resolve the economic conflicts relating to fuel and food shortages and rampant inflation.

Nonetheless, if we do not pass a trade bill and embark on bold international trade negotiations, we will be losing quite an opportunity to resolve what have become urgent and sticky economic issues among nations. Since World War II, we have had a great deal of success in managing trade issues in the institutional framework and under the agreed upon rules of the GATT. The nature of these issues has changed dramatically in recent years. For instance, while import restrictions remain a problem, the management of resource shortages has emerged as a problem of similar importance.

This has not changed the fact that we must look to cooperative undertakings to find real and lasting solutions to these problems. The need for revision of the GATT rules to handle these problems—and for our countries to show the national will to look for multilateral solutions in an institutional framework such as the GATT—is urgent, for the danger of economic warfare and a real confrontation between rich and poor nations is great.

Also, it's clear that near-universal cooperation among nations is the only way for us to break the stranglehold of a supply cartel like OPEC.

In many ways, our economic relations with other nations are at the base of our political relations with them. If we do not negotiate to find solutions to these "pocketbook" issues which divide us, we cannot hope to settle our political differences.

Because of our differences over such things as how to react to the Arab oil embargo, how to treat the Soviet Union, and how to view the Atlantic alliance, we seem to be on a collision course with the Europeans in our political relations. Some wonder if the Europeans care whether they have any relations at all with us any more. However, I've just returned from talking with members of the European Parliament in Europe, and I know that the Europeans still look to us for leadership in settling difficult international economic issues.

They are watching us to see whether we have the political will to do any real negotiating on tough trade issues—whether we are willing to raise our sights from the economic irritations which rub against us day after day to a bold new attempt to not only try to resolve these day-to-day issues but also foster a new climate of cooperation in settling troublesome international economic problems—indeed, they watch to see whether we are even going to pass a trade bill.

It's also my observation from meeting with the European Parliamentarians from time to time over the past three years that the European Community is stronger, more unified, less concerned about internal matters and better prepared to make the decisions necessary for trade negotiations than they have ever been. I also know that the Europeans have finally abandoned their search for additional reverse preferences.

It's my firm personal belief that the continued expansion of mutually beneficial world trade and the increased contacts among nations which it brings not only redound to our economic welfare, but also help to build peace and understanding in the world. Certainly we've seen that the opposite of this is true—trade retaliation and economic warfare can lead to world-wide depression and actual warfare.

It's unfortunate that so much of the attention given to the trade bill has focused on Title IV. All of us are concerned over the conditions under which nondiscriminatory tariff treatment and Export-Import Bank credits should be granted to the Soviet Union. However, the thrust of the Trade Reform Act is to provide an opportunity for the free nations of the world to get together to work out their trade differences. What is most important is that we continue to expand this trade among the free world countries in order to strengthen the U.S. economy and other free world economies.

We should not lose sight of this fact, and the fate of the Trade Reform Act should definitely not rest with the fate of Title IV. Our trade with the communist countries is minimal and unlikely to amount to very much in the foreseeable future. While I be-

lieve that trade with these countries in nonmilitary items is desirable as an instrument of ending the isolation of these nonmarket economies and bringing these countries into the community of nations, our economic and political relations with our traditional allies must not be eclipsed by our concerns about East-West trade.

One of the most serious problems we are going to face for years to come is that of severe, world-wide inflation. Trade helps to allocate world resources better and can have a significant effect in keeping consumer prices down and also keeping producer costs down.

Already, nations have begun suspending some of their import restrictions for the stated purpose of combatting domestic inflation. We ourselves have done this, as in the case of our meat import quotas, and Title I of the House-passed trade bill provides a great deal more flexibility for this kind of action.

World-wide inflation makes it even more important that consumers be allowed the chance to purchase less expensive goods from abroad, especially when this does no harm to U.S. workers or industries. We have found that the resources of this world can be quite limited in some ways, and trade helps us to make the best possible use of these resources.

We are a rich country. Our standard of living is half again as great as that of the next richest country. We do indeed have our problems, but even in difficult times we should not forget our responsibilities toward the rest of the world, especially toward the poorest of countries.

Our trade with the less developed countreis (LDCs) is of benefit to both them and us. This trade accounts for one-third of total U.S. trade. Last year alone, our trade surplus with these countries rose by a billion dollars, and much of the LDC foreign exchange earnings from this trade is used to buy goods in the United States. The development of the LDCs is of special interest to us, since it not only promotes peace and world stability but also provides expanded markets for U.S. exports.

The LDCs have been especially hard-hit by the greatly increased cost of petroleum products. It thus has become even more important that their products have access to the markets of developed countries, so that they can earn the foreign exchange they need to pay for their energy needs and also the goods they need to develop their economies.

With the great needs of the LDCs, it only makes sense that the developed countries should try to give the LDCs some kind of break in this trade. In fact, a commitment was made several years ago to do just this, and Europe and Japan have already taken steps to grant tariff preferences to the exports of the LDCs.

Title V of the House-passed trade bill would grant tariff preferences to the LDCs with quite strong safeguards designed to insure that this action does not adversely affect American workers and industries.

THE TRADE REFORM ACT IS A GOOD BILL

Some have criticized the House-passed trade bill as "worse than no bill at all." I think you will find this charge to be baseless. Although I'm somewhat at a loss to understand why the charge is made, I suspect it may be because the bill does not deal with all aspects of our international economic policy. Frankly, the bill was never intended to do this. While a few other subjects might be included in the bill, it would not seem wise to try to do in one bill everything that should be done in this area. The field of trade itself is complex enough.

The House-passed bill does not address the issue of U.S. taxation of foreign source income. I believe that our tax laws do provide some incentive for investment abroad and I have sponsored legislation designed to eliminate this. The Ways and Means Committee's windfall profits bill would tighten up our tax laws as they relate to income earned and losses sustained abroad by our oil companies. Further, the Committee will undoubtedly take further action in this area as we take up general tax reform, which is our next order of business, along with national health insurance.

It is my own view that the over-valuation of the dollar for so many years before the President's action of August 15, 1971, provided a far greater stimulus to investment abroad by U.S. businesses than any provisions of our tax laws have. The current floating of national currencies and the more realistic exchange rate of the U.S. dollar will do much to reduce, if not eliminate, excessive investment abroad by U.S. firms.

The House-passed trade bill does not touch on the very important subject of regulating the activities of the multinational corporation (MNC). A great deal of work needs to be done before we can establish a sound institutional framework and set of rules to guard countries from the excesses of MNC operations across national borders. However, work on this is already under way in the OECD, the United Nations and other agencies.

I've been involved in consultations on this subject with members of the European Parliament and the North Atlantic Assembly. It's clear to all of us that the need for timely multilateral action in this area is great.

Foreign investment and the operations of the MNC have perhaps displaced trade as the most important elements in the world economy. These cannot be neglected by governments, just as the problem of undue resort to export controls cannot be neglected.

The House-passed trade bill does not address the reform of the international monetary system, which is perhaps as important to the health of the world economy as anything else we do. Progress is being made on this front, although the frictions resulting from the actions of the Arab oil countries have impeded this.

Perhaps the most relevant new element which might be included in the Trade Reform Act is some kind of amendment relating to international agreements on the problem of short supplies and export controls. This is a most important area for your consideration. I know several of you have already proposed amendments of this sort.

LET US BEGIN TO MOVE FORWARD

These are some of the points I wanted to make to you because of my strong feelings about the importance of trade to us, economically and politically, and to the prospects for peace and prosperity on this fragile planet.

Besides enacting a good trade bill as soon as possible, I believe that it is also important that we take a more active role in exercising our Constitutional mandate to "regulate commerce with foreign nations."

Our trade and economic relations, as they grow ever more important, are also growing more complex. During the Ways and Means Committee deliberations on trade, it became clear that many of our past trade decisions and policies were not well monitored by either the Executive Branch or by the Congress and some in fact were ill-considered to begin with. More attention to this area, more oversight and more analysis of the facts surrounding specific types of trade are needed.

The Ways and Means Committee worked hard to try to make the House-passed trade bill one which would meet the legitimate grievances of those who might be adversely affected by trade. This was done by specific procedures whereby the facts and all appropriate views on a particular case could be presented in the open and a decision could be made by a set, orderly process. In my view, it is only by this kind of decision-making process that we can (1) restore eroding confidence in government, and (2) convince all affected parties, and the public, that our trade policies are made on the basis of the facts, not rhetoric or political pull, and that they are prudent ones which benefit rather than harm our workers, consumers, industries and farms.

It is my sincere hope that the trade bill which is finally approved will require us to pay more attention to our trade and other economic policies and to make better decisions in these areas. If we are to do a good job on this, we're also going to have to make sure that we have top-flight people staffing the important agencies which deal with trade, including the Tariff Commission.

The timely passage of a good trade bill will, I feel sure, go a long way toward minimizing our economic conflicts with other nations. The economic and political benefits which will flow from this will be enormous.

Thank you for your time.

MEMORIES OF HON. CECIL R. KING

HON. JOHN J. McFALL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. McFALL. Mr. Speaker, to leave the world a better place by having lived is perhaps the greatest gift a person may bestow on those who remain.

Such a legacy was left by our former colleague in the House, Cecil R. King, whose recent death we mourn.

My memories of Cecil go back to 1957 when I came to the Congress. By that time this fine man already had served in the House for 15 years and had established a reputation as an outstanding legislator and representative of the people. When he retired in 1968, he had become the dean of our California delegation, respected and loved by all of us.

Intellectually and financially honest, Cecil set a high standard by his devotion to the people and the public interest which we could seek to emulate but never hope to surpass. Quiet—not flamboyant—he was just the opposite of the cartoon Congressman.

What was it in the background of this man that prepared him for a distinguished career in the Congress? He did not have the benefit of academic degrees resulting from higher education. He served his country in World War I as a private in the Army during his 19th and 20th years. A dry cleaner by trade, he became interested in politics and was elected to the California Assembly where he served for 10 years from 1932 until he was elected to Congress in a special election in August of 1942.

Perhaps it was in the State legislature that he learned how to be a great public servant. But I think not. I believe it came from something deep inside—a native intelligence, a love of people, a delightful sense of humor, a complete lack of concern for himself—traits that marked him as a remarkable man.

In the House, Cecil demonstrated time and again a rare ability to get to the heart of a matter. In the exhausting and intricate work of the Ways and Means Committee, he was a leader. He became a recognized authority in international trade; he represented our country in

Common Market negotiations and served as a congressional adviser to the United Nations Conference for Trade and Development.

He led an investigation by the committee of wrongdoing within the Bureau of Internal Revenue and the tax division of the Department of Justice which remedied many abuses that occurred in the early fifties.

His crowning achievement may have come from his tenacious efforts to bring better health care for the elderly through establishment of the medicare program.

From his rather humble beginning one would be tempted to say he was an ordinary American. But this was wrong, for Cecil King was an extraordinary American.

He used all of the qualities with which he was graced to their maximum effectiveness, and the Nation was better as a result.

To his wife, Gertrude, his daughter, Mrs. Louise Bonner, and his sister, Gladys Rose, we offer our condolences. We have lost a friend who made being a Member of Congress during his service a rare opportunity. But we can take comfort in knowing that there will be others in future generations who will come forward to meet the needs of our country, for the strength of America is that it produces men like Cecil King.

NORTHERN IRELAND: WHY THE VIOLENCE?

HON. ANGELO D. RONCALLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. RONCALLO of New York. Mr. Speaker, I would like to share with my colleagues the following article by Father Denis Faul which appeared in Triumph magazine recently regarding the fate of the Catholic people in Northern Ireland:

A short time ago, Triumph *received a report from Father Denis Faul, a pacifist priest who watches closely the fate of the Catholic people of the North of Ireland, Father Faul condemns all violent acts—whether of the British army, Ulster Protestants or the IRA. But his unswerving dedication to the peace of Christ does not allow him to avert his gaze from the essentially violent and vicious political and social milieu that Britian has maintained in the North's Six Counties in collaboration with her loyalists. The following condensation of the report from Belfast is one case history of such institutionalized violence:*

Newtownabbey was . . . formed in 1958 from seven old villages and a number of post-World War II housing estates on the north side of Belfast. . . .

Up to 1969 there was one Catholic parish covering the whole area. In that year, due to the rapid increase in the number of Catholics in the area, the parish was divided into five new parishes. These were:

Whitehouse, 4,000.
Greencastle, 3,500.
Whiteabbey, 2,400.
Glengormley, 3,200.
St. Gerard's (Antrim Road), 1,600.

At the time of the division these numbers were increasing, especially in Whiteabbey and Glengormley which are developing areas. *In 1969 Catholics formed about 28% of the total population.* The expectations were that this percentage would increase. . . .

The position *in 1974* is:

Whitehouse, 1,800.
Greencastle, 3,100.
Whiteabbey, 1,300.
Glengormley, 5,500.
St. Gerard's (Antrim Road), 1,850.

Catholics now form about 22% of the total population of Newtownabbey.

Why are Catholics leaving?

Catholics are leaving Whiteabbey and [Whitehouse] for two reasons: intimidation and fear of being assassinated.

1. *Intimidation*

Until comparatively recently, most of those who felt they were either actually intimidated, or feared that they would be, due to the general atmosphere of intimidation which prevailed in the area. Protestant extremist groups such as the UVF, UFF, UDA, LAW and Tartans are particularly strong in the district. From time to time members of the UDA in paramilitary dress patrol openly . . . without interference by the security forces [Royal Ulster Constabulary and the British army]. Catholics have sometimes been imprisoned behind UDA barricades. Catholic homes have been petrol-bombed. Young Catholics frequently have been stabbed and beaten. . . .

The following extract from an as yet unpublished report of the Community Relations Commission indicates the attitude of the police in the area:

"Definite sympathies with the UDA have come to light in our investigations. The loyalist outlook of certain members of the RUC at Whiteabbey and York Road colors their perception, judgment and response in dealing with intimidation and its attendant problems."

2. *Assassination*

In recent weeks there is alarming evidence of an organized campaign to assassinate Catholics in the Newtownabbey area. The following [partial] diary of events supports this belief.

December 4, 1973:

Catholic home in Greymount Drive, Greencastle, petrol-bombed. Father escaped through the back door; mother, son, and daughter jumped from an upstairs window. All hospitalized for burns. . . .

January 8 1974:

Two Catholic families in Clonbegg Drive, Rathcoole, petrol-bombed.

January 31, 1974:

Gunmen robbed a group of 13 workers who were playing cards in their hut at lunch time. . . . Two Catholics were shot dead . . .

February 11, 1974:

A carload of five Catholics from the Bawnmore area of Greencastle was ambushed as it arrived at the Abbey Meat factory, Glenville Road, Whiteabbey, at 7:56 A.M. Thomas Donaghy, 16, was killed; Margaret McErlean, 18, is still critically ill in the hospital; Alice Hughes, less seriously injured, is also in the hospital. The UFF . . . claimed responsibility for the shooting. . . .

February 12, 1974:

About midnight, shots were fired into the Poland home at Downpatrick Green, Monkstown. A bullet was found in the mattress on which a young child was sleeping. The Poland family and another Catholic family left the area the next day. . . .

The security forces are not following an impartial line in stamping out terrorism. It is particularly noticeable that in [majority] Protestant areas like Newtownabbey, where the RUC can patrol freely, extremist groups have a free hand to intimidate and assassinate Catholics. On February 15, 1974, a reporter wrote in the [Belfast] *News Letter:*

"Why choose Newtownabbey for the butchery? One theory is that the random attacks on Roman Catholics within the 60,000 population are aimed at driving them out of the area."

Unless the security forces, particularly the RUC, change their present policy, the assassins will succeed in their objective.

RECORD OF DISTINGUISHED SERVICE

HON. RON DE LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. DE LUGO. Mr. Speaker, as I noted in the RECORD of April 4, Miss Enid Baa has retired from her position as Director of Libraries, Museums, and Archives of the Virgin Islands. Although All Virgin Islanders know that she will contribute to the community as a private citizen, we cannot help but regret her departure from an illustrious career of public service.

I wish to share with my colleagues another editorial praising the superlative life and career of Miss Enid Baa:

RECORD OF DISTINGUISHED SERVICE

One of the Virgin Islands' most scholarly citizens, Enid Maria Baa, is retiring from public service this week. When she leaves office on Monday after 20 years as Director of Libraries, Museums and Archives, Miss Baa will be sorely missed, particularly by those who have the preservation of the islands' history and culture at heart, but her accomplishments in over four decades of service to the islands will be a beacon to students and scholars for years to come.

Born in 1911, when these islands were still under the Danish flag, Miss Baa's efforts have done much to preserve the history of those long ago years for the students of today. Her achievements in her chosen field have received the highest recognition throughout the Caribbean, on the mainland and the international library world, as well as in the Virgin Islands.

Miss Baa was attracted to library science at an early age. Being one of the first high school graduates on St. Thomas, she took part in establishing the island's high school library, demonstrating such interest in the field that she was selected for the first Interior Department Scholarship and enrolled at Howard University. After only a year there she was chosen by Governor Pearson and the Carnegie Foundation for a scholarship to the Graduate Library School at Hampton University. When she returned to the islands in 1933 she was named head of the then Department of Public Libraries, becoming the first woman to hold cabinet level office in the Virgin Islands.

In the next decade Miss Baa worked with real zeal to expand and improve the libraries on all three islands, and in 1943 she entered Columbia University to complete the undergraduate work she had cut short to accept the Carnegie scholarship. There she worked in the university library and after graduation became fellow librarian at Queens College and also worked at the United Nations in English, Spanish, Portuguese and French, before becoming a specialist in cataloguing Spanish and Portuguese materials at the New York Public Library.

Miss Baa returned to her home island to become library consultant to Governor Morris de Castro in 1950, and in 1954 was appointed by Governor Archibald Alexander to her present post. In the next two decades her achievements and the honors she was awarded make an impressive list. Among them was the John Hay Whitney Foundation Fellowship for her contribution to the preservation of the Sephardic Jewish records in the Virgin Islands, editing the "Current

Caribbean Bibliography" while acting as librarian in charge of the Caribbean Organization Library, election to the Virgin Islands Academy of Arts and Letters, honorary doctorate in philosophy from Colorado State Christian College, gold medal from the Royal Mint in London, and the publication of numerous papers and dissertations.

Perhaps best known of all her achievements, though, is the Von Scholten Collection, one of the rarest collections of Virgin Islands materials housed in the public libraries. Named for the emancipator of slaves in 1848, it has grown from some 30 books in 1933 to hundreds of rare books, newspapers, periodicals and other material. The collection is still constantly growing and is much used by students from schools and colleges, as well as by scholars in the field of Caribbean studies.

Miss Baa's contributions to these islands are a truly impressive list, and for many years the community will be grateful for her distinguished service in the field of Virgin Islands history and culture.

MEET A JEWISH GRANDMOTHER

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. KOCH. Mr. Speaker, countless words have been used to describe the Jewish mother. One such Jewish grandmother recently won the traditional Jewish chicken soup contest held by Abraham & Straus in Brooklyn, N.Y. The article describing Elsie Zussman, done with great care and insight, will give those who have not had a Jewish grandmother the pleasure of meeting one. The article follows:

HER WAY OF MAKING SOUP: LOOK BACK AND REMEMBER

(By Lisa Hammel)

There was no difficulty telling where the contest was. All you had to do was follow the smell of chicken soup.

It permeated the fifth floor of Abraham & Straus on Saturday where, in its gourmet kitchen in the housewares department, nine finalists in a cooking contest were madly stirring stock, boiling matzoh balls and tossing bits of this and that into steaming pots.

The finalists, whittled down from 47 entrants, were competing in three categories—traditional Jewish chicken soup, nontraditional soup made with chicken, and matzoh balls.

Naturally, a Jewish grandmother won the Jewish soup contest.

The contestants had been asked to show up at about noon (although several were waiting when the store opened) to cook their creations on the spot before an informal audience of onlookers and kibitzers. At 3:30, the four judges—one Catskill hotel owner, two men from A & S's food services division, and the store's resident demonstrator-cook—solemnly sipped and tasted, marked their scorecards, and agreed on the winners.

Elsie Zussman, the chicken soup champion, is a 74-year-old widow with "four gorgeous grandchildren—three in college and one who is 10." Like virtually all the other contestants, she learned to cook by a mysterious process of cultural osmosis.

"When I was young, to me to read a book was important. I wasn't interested in cooking. But my mother, she was a terrific cook. She made all the chicken soup for the weddings where we lived in Russia.

A CARROT FOR COLOR

"One day," Mrs. Zussman continued, "she was visiting relatives in another town and she couldn't get home in time to make the meal for the Shabbes. So I remembered the best I could. That's how I always cooked—I looked back and remembered.

"And when she came home, did she praise me! You see, it's an inheritance. Mine son is a very good cook; mine daughter-in-law, not so good—but some things she makes I could never make that good."

Mrs. Zussman is getting to be an old hand at cooking contests. Last year she was a finalist in A & S's challehbaking competition.

"Before that, I had to work for a living. Who could enter contests!"

As to her prize-winning soup, "maybe it's not better," she said, "but it's different."

What makes it different was the accident, about 20 years ago, of finding herself without soup greens. "So I put in a leek, and it was delicious. Onions are not so good, it gives you a little sour taste. Sometimes, if I want to splurge, I go down and buy a big red carrot, to give it color."

It was not easy for Mrs. Zussman to give the store an exact recipe that they could print for interested customers.

"Who uses a recipe for chicken soup?" she said.

But she tried.

"I start with a chicken," she said. "A good chicken. A cheap chicken wouldn't make a rich soup. And it has to have gray feathers."

Gray feathers? But how did she know if the chicken had had gray feathers?

"They pluck it right in front of me," she said. "You see, the gray-feathered ones are especially fed. They give you a better soup without greens because they're sweet."

And what size pot did she use?

"Enough for the chicken and the water."

How much water?

"About two glaysles a pound."

But what size glasses?

"Whatever size I have."

PRIZE-WINNING RECIPE

Elsie Zussman's chicken soup

1 pullet, no less than 3 pounds (preferably Kosher and with gray feathers).

2 glasses of water (about 8 ounces for each pound of chicken). Salt to taste.

1 parsnip (optional).

1 carrot.

1 large leek.

1. Leave the breast portion of the chicken whole. Cut the rest into pieces. Using a pot large enough for chicken and water, add salt and bring to a boil.

2. Lower flame and simmer over low heat for an hour.

3. Add parsnip, carrot and leek. Continue to simmer for 45 minutes to an hour, but never more than an hour.

IN THE WAKE OF WATERGATE

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. DRINAN. Mr. Speaker, I am happy to bring to the attention of my colleagues an excellent article by Paul G. O'Friel, the director of the Lincoln Filene Center for Citizenship and Public Affairs at Tufts University in Medford, Mass.

Mr. O'Friel, who has an extensive background in law, broadcasting, and corporate and community public affairs, points out dramatically the urgent necessity for an intensification of training for citizenship. He points out that—

The Lincoln Filene Center for Citizenship and Public Affairs is nationally the one remaining institution specifically chartered for civic education and purposes. . . .

Mr. O'Friel's article is taken from the March 1974 issue of the Common, a journal which describes itself as a "meetingplace for education in New England."

Mr. O'Friel's perceptive and provocative article follows:

IN THE WAKE OF WATERGATE

(By Paul G. O'Friel)

It is 1974 as I write these words, but it is 1973 that is paramount in my thoughts; for 1973 will, beyond any question, enter the annals of American history as a landmark year, one of those dates like 1776, 1789, 1812, 1861, 1918, 1929, 1933, 1941, and 1963, dates that represent events or experiences that radically altered the attitudes of much of our people and the nature of our national life.

In 1973, a seemingly unending series of mind-boggling disclosures about the conduct of our national government began to be made, but it is not, in my opinion, the sickening litany of Watergate and related changes, crimes, and conspiracies for which last year will long be remembered, as much as for what then began to happen to our collective awareness as a people.

For it was in 1973 that Americans reluctantly discovered what their older and more experienced brethren in western society have known and understood for longer: that a democratic government can be taken away from its people, almost without their even realizing the figurative "disenfranchisement" that has occurred.

It was in 1973 that a distracted and hyperactive populace suddenly learned that a government "of, by, and for the people" can, through the manipulations of the mendacious or the misguided, become government "of, by, and for the few."

CITIZEN SHOCK

The initial shock the citizen experienced as a result of these revelations was somewhat dulled by several decades of a conditioning process that had whittled down the significance of the individual as a participant in a system, not only as seen through his or her own eyes, but also as perceived by the blurred vision of the bureaucratic structure itself.

It is now becoming apparent that an initial attitude of resigned or indifferent acceptance, has given way to a mushrooming national mood of rage and righteous indignation that has already thwarted the dangerously near successful plots and programs of a corrupt and arrogant government, and now threatens to sweep it from power.

So 1973 was a year of learning and discovery for our people in the "classroom" of experience and action, a dramatic lesson in civics for all of us as life-long students in the "schoolhouse" of citizenship.

These observations are all by way of setting the stage of timeliness for additional comments on the contemporary crisis in civic education, and an expression of my own opinion that training for citizenship must become (and it is not now) education's priority goal.

That there is a crisis in civic education appears to be beyond doubt; in fact, the newly elected president of the Council of Chief State School Officers has recently said that the principal concern of his administration of that important organization, will be to renew the waning interest of the nation's schools in citizenship training.

For all practical purposes, the Lincoln Filene Center for Citizenship and Public Affairs at Tufts University is nationally the one remaining institution specifically chartered for civic education purposes, and we take our "survivor status" seriously.

We consider it a mandate to keep alive and

nourish the original and still valid notion that teaching students to understand, adjust to, and work within the established order of our political, legal, and economic systems, is a vital role for the well-being of any democratic society.

The Center has in the past taken a significant part in the promotion and discharge of that educational function through the traditional methods of curriculum development, teacher training, and the preparation of materials primarily for public elementary and secondary schools, and we currently sponsor and conduct such activities in the topical areas of education in economics, intercultural and intergroup relations, law, and political science.

This concept of civic education has produced much worthwhile effort over the past generation, some from the Center and much from many, many dedicated persons in both the public and private educational systems, and its contributions towards the development of those insights and capacities required for effective citizenship, have been real, although limited.

Much of the limitation, at least in recent times, has resulted from a widespread failure to appreciate that the concept of civic education, like many admirable ideas, needs periodic adjustment, if not an occasional overhaul, in order to be able to continue to play a significant role in the syllabus of learning and confer genuine benefits on those it is designed to assist.

My own view is that the governmental and political events of 1973, the Watergate "fall out" in a sense, have established conclusively that the time is now ripe for such an overhaul in the concept of effective civic education, in order that an informed and alert citizenry may protect itself from such abuse of power and arrogance of authority in the future.

Civic education can and should (now we may say that it must) be restructured to fit the dimensions of citizenship itself, so that it will develop in every segment of society, and at every age, the potential for more effective citizenship, by the training of as many people as possible to participate more fully and more constructively in the obligations and responsibilities of the democratic process.

This is admittedly a huge task and a somewhat intimidating challenge but it can be done by the development of innovative methodologies that will make possible overcoming the obstacles and responding to the opportunity.

EXPAND LIMITS

The repertoire of pedagogic techniques must be expanded beyond the traditional limits to encompass a greater topical variety and a larger range of less structured mechanisms, such as clinical and adjunct teaching and learning experiences, that will complement but not displace the usual classroom approaches.

The focus of these institutes, seminars, colloquia, dialogues, assemblies, lectures, forums (or what have you), should be broad enough to respond to the growing public demand for continuing education, including, most importantly, training for that most important of vocational roles, that of "citizen" itself.

The Board of Education has well stated the objectives of civic education for the established institutions of the public educational system; now that system must work *together* with its private counterparts and other participants, institutional as well as unstructured, to make that objective a reality—and they must all work *hard*.

The alternative to such cooperative and energetic enterprise may be the evolution of a type of citizenship no longer worth training for or educating about: Not a role graced with rights and responsibilities, but a status fashioned of functions and fears.

The Year of Watergate—1973 has sounded the alarm; now the people will come to know and act on the knowledge that training for citizenship *must* be education's priority goal.

HOWARD UNIVERSITY PRESS: A PUBLISHING MILESTONE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. RANGEL. Mr. Speaker, today marks the culmination of a great deal of effort by Dr. James Cheek, the president of Howard University and his dedicated faculty to achieve a significant first in the history of black education in America. The Howard University Press has just become the first black university press in the country.

I and the other members of the Congressional Black Caucus commend Dr. Cheek and Howard University for this achievement and we welcome the Howard University Press as an important addition to the distinguished educational efforts which characterize Howard University and the other black institutions of higher learning which have served and continue to serve our people.

I enclose for the information of my colleagues an article which appeared in today's Washington Post on the Howard University Press:

HOWARD UNIVERSITY PRESS: A PUBLISHING MILESTONE

(By Joel Dreyfuss)

Early this afternoon, Dr. James Cheek, the president of Howard University, is scheduled to receive copies of four books that mark a milestone not only for the university but for the publishing industry as well.

The books are the first products of the Howard University Press, which was set up two years ago as the first black university press in the country.

At the top of the list is "A Poetic Equation," a discussion between poets Margaret Walker and Nikki Giovanni.

The other titles are: "Quality Education for All Americans" by William Brazziel, which examines the shortcomings of school systems and makes some proposals for solving them; "Bid the Vassal Soar" consisting of separate interpretative essays on two early American poets, Phillis Wheatley and George Moses Horton; and "Song for Mumu," by Lindsay Barrett, a Jamaican novelist.

Barrett's book, which was hailed by British critics but never released in this country, is an example of one function executive editor Charles Harris sees for the press, providing an outlet for black writers who have no other recourse.

The four books on the first list, of 12 to be published this spring, reflect the press' philosophy of concentrating on the works of black authors.

"We won't just publish blacks," explains Harris, who spent a dozen years in New York at Doubleday and Random House before being lured to Howard, "but we do think that there will be people who will send us manuscripts because they will be aware of and more comfortable with our interest."

Temporarily quartered in century-old Howard Hall, once the residence of the school's founder, the Howard University Press, like most black institutions in this country, finds its mission in making up for inequities that exist under the present system.

"There is a feeling among many publishing houses that blacks don't read," says Harris. However, he points out, the top 10 public school systems in this country are predominantly black and Howard hopes to move into those areas with textbooks and materials.

"When publishers say that black books don't sell," he suggests, "I assume they're talking about novels, and that's a problem with all novels.

"The commercial publishing industry is a fad industry. At one moment it's women liberation, the new left, confrontation politics, Indians or blacks. At many publishing houses you don't have a commitment."

Harris and his staff of 12 are openly committed to black literature and to writers who find little understanding elsewhere.

"Many black writers are influenced by black music, so they have an approach to their art that is not classical," he says. "These things are not compatible with whites who think that Faulkner and William Styron are the living end."

Howard's list of books reflects the intention not to follow the traditions of other university presses. There is "Aiiieee!," an anthology of Asian-American writing, several other novels as well and scholarly works, including books by members of the Howard faculty.

"I like to view the university press simply as a publishing house owned by a university," said Harris. "We won't be in the posture of publishing books that only a thousand people can read. We see the press as a very innovative effort."

So far, Harris calls the response "strongly positive." He hopes to arrange paperback editions and distribution through larger publishing houses and expects to reach an output of 40 books a year by the end of 1975.

The press is funded from the university's private funds and does not expect to make money. "What we do hope is to be self-sufficient in about 5 years."

The first steps toward that goal will be celebrated today at a "Howard University Press Day" luncheon at the National Press Club and a reception on Capitol Hill in the evening sponsored by the Congressional Black Caucus.

END OF THE OIL EMBARGO: WHAT NOW?

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. BINGHAM. Mr. Speaker, the end of the Arab oil embargo against the United States, announced March 18, forces us to reflect on what the crisis of the last 5 months has taught us, and what effect the ending of the critical shortage will have on our growing energy problem and our resolve to become energy independent.

The energy shortage is not a brand-new phenomenon. According to experts, the worldwide petroleum-based energy shortage has been developing since 1970. U.S. domestic production peaked in that year and shortages in fuel oil and gasoline began showing up in scattered areas on the east coast in 1971. That year a group of us in Congress urged an end to the restrictive oil import quota system, which prevented the Northeast from easing its fuel situation, and replacement of it with a tariff system and the establishment of national defense petroleum reserves in the United States. These measures were designed to counter one of the principal arguments supporting the oil

industry-backed quota system which was protection of the United States from a cutoff of oil from insecure foreign sources. At that time the main insecure source we were mentioning was the Middle East supply. Our advice went unheeded. The quotas remained to "protect" the domestic industry and encourage domestic production. Instead production decreased and demand increased at an alarming rate. Under public and congressional pressure the quotas were lifted in 1973, but no national defense petroleum reserves adequate to handle a potential long-term foreign embargo were established. Many officials believed that such an embargo would never happen and looked to increased imports as the way to ease the immediate U.S. supply problem. Other industrialized nations followed the same course. The actions of the Arabs last fall crystallized the existing energy problem and made all of us realize how dependent we had become on Arab oil. Now that Arab imports are to resume, the danger is that we may be lulled into complacency again about the supply of energy and will postpone the hard decisions which must be taken now if we are to retain control over our economic and political destiny.

IMMEDIATE EFFECT

Federal Energy Office officials estimate that it will be early June before the full effect of the lifting of the embargo will be felt at the retail gasoline pumps. While oil industry officials are more optimistic about this timing, they agree with FEO that resumption of Arab oil imports will not end the U.S. oil shortage, and that we can expect continued high prices at the retail level.

It is estimated that by June total U.S. oil imports will be up to the level it was last October before the embargo. This amount—6.6 million barrels a day—is still about 4 percent short of our total oil needs. FEO hopes that conservation measures will take care of this remaining shortfall. However, our import needs are expected to grow as the year progresses. We will require imports of about 7 million barrels a day in the third quarter of 1974, and 7.4 million barrels a day in the fourth quarter. If sufficient foreign oil supplies are not available at that time, then the shortfall will be more severe.

Arab oil currently costs the United States about $14 a barrel when the cost of delivery is included. Foreign oil from Venezuela, Iran, and elsewhere is even more expensive. These prices are almost triple the cost of domestic "old" crude oil from established wells which was set at $5.25 a barrel by the Cost of Living Council last December. Domestic oil from new wells sells at the free U.S. market price of about $10 a barrel.

The U.S. petroleum price situation is further complicated by the rise in imports of refined petroleum products which U.S. companies buy at inflated international prices. Those public utilities and other businesses which do not have access to the lower priced domestic oil, and which depend increasingly on imported oil for their fuel or petroleum-based products, are suffering meteoric cost increases which are being passed on to the consumer in the form of higher prices. The Northeast, which depends on imported oil to a far greater extent than any other section of the country, has been especially hard hit by this price explosion. Illustrative of this are our recent Con Ed electric bills, which are causing intense hardship in many cases. Yet FEO officials and oil industry representatives offer no hope of relief; they have even been warning consumers to expect 60- to 75-cent gasoline in some areas this summer.

The allocation and domestic petroleum price control programs will remain in force until next February under a law passed last year. Fair distribution of oil supplies and price stability will depend on the ability of the Federal Energy Office to remedy the present inequities in the allocating program and to hold the oil companies in line in regard to their refining, distribution, and pricing policies to better meet the changing supply and demand situation. I have been especially critical of the FEO for not adequately dealing with the utility price explosion which has hit the Northeast. Utility rates in this area have increased an average of 44.3 percent since January 1974, while west coast rates have been raised only 5.6 percent in that time. For all-electric home users, the increases are 72 percent in the Northeast, as contrasted with 10.1 percent in the West. The differences of course stem from the degree of utility company dependency on fuel oil from foreign sources, which for west coast companies is only about 10 percent as compared with 85 percent for Con Ed. Those of us who are concerned about this kind of unequal price burden are pressing the FEO to correct the situation administratively by establishing a pooling system in their allocation program so that utilities in each part of the country receive a fair mix of expensive foreign and cheaper domestic crude oil for electrical generation purposes. We estimate that pooling would reduce the consumer's electric bill by as much as one-fourth in the Northeast.

The ending of the embargo has brought an all too quick relaxation, in my opinion, of voluntary conservation measures encouraged by Federal-State, and local governments. The voluntary ban on Sunday gas sales has been lifted by the President, and many jurisdictions have discontinued odd and even gasoline sales. Also the FEO and oil companies have increased gasoline allocations allowing stations to further ease restrictions on hours of operation. In addition the President has promised to increase fuel allocations to industry and agriculture to 100 percent of need for the coming months. However, certain other conservation measures continue to be stressed—lower speed limits, carpooling incentives, as well as encouragement to use private and public mass transit.

My concern is that the President's desire to report good news to the country causes him to belittle the very real possibility that the Arab oil embargo could be reimposed in June and to make light of the long-term energy shortage that faces us. We must bear in mind that the Arabs clearly indicated their intention to continue to use their control over their oil exports as a means of trying to influence U.S. actions and policies in the Middle East. Whether or not we can prevent early reimposition of the embargo by stimulating steps toward peace in the Middle East, our vulnerability to international political blackmail is intolerable and cannot be allowed to continue. Clearly, we must decrease our reliance on foreign oil—now about 35 percent of our domestic needs—by vigorously pursuing energy conservation measures, coupled with a program to provide the United States with alternative sources of energy. However tempting it may be to return to our "fuelish" ways because the short-range picture looks brighter, we must resist the temptation. If we do not, we may well be in worse shape the next time the oil blackmail tool is used.

We must also take into consideration the dangerous implications for our economy and the economies of Europe and Japan, as well as of many developing countries, which the massive outflow of currencies to the oil producing nations represents. Many foresee a worldwide depression as a result. The oil producers may well be in the process of killing the goose that laid the golden egg with their greed. But whatever happens to prices and to the embargo, we must take every step within our power to put an end to our dependence on insecure and possibly unfriendly sources of energy.

THE ENERGY CRISIS CREDIBILITY GAP PROGRAM

The operation of the oil and gas industry is one of the most secret and complex in this country. Government regulation of the industry has also been cloaked in secrecy, and incredibile as it may seem, that regulation has often been based on inadequate information.

A recent poll showed that more than 60 percent of the American people believe that the energy crisis is not real, but was contrived by the major oil companies to push up profits and was aggravated by Government ineptitude. Although in my view the shortage is real, so far as long-range prospects are concerned, there is certainly evidence to support the conspiracy theory. A preliminary Federal Trade Commission report on the oil industry issued last July revealed the anticompetitive nature of the industry. It noted that the major oil firms "have behaved in a similar fashion as would a classical monopolist; they have attempted to increase profits by restricting output." The report concluded that the major oil firms "have used the shortage as an occasion to debilitate, if not eradicate the independent marketing sector." Critics of the "majors" have pointed to capped domestic wells, increasing industry hoarding of supplies, restrictions on crude oil and refined products sales to independent refiners and retailers, monopolistic control of the pipeline distribution system, concentration on production and refining abroad rather than here at home, and an increasing monopolistic tendency toward control over other energy industries from production to retail sale. Current shortages, critics believe, were manufactured by the oil companies, not only to force out the independents, but to maintain favorable tax benefits, and reduce the influence of the environmentalists over energy resource exploitation and energy use.

To resolve the credibility gap problem should be one of the first tasks of any

comprehensive attack on the energy problem. This task involves two basic objectives: to fully investigate the factors which led to the energy crisis, particularly the role played by the oil and gas industry; and insure a flow of energy supply, production, price and profit information. Congress has recognized the information gap. We included a provision in the Emergency Energy Act passed in February, enabling FEO to require oil companies to report supply and production data in a manner that could be independently verified by Federal officials. Unfortunately, ths effort failed when the President's veto killed the bill.

Despite the veto, Congress is pressing ahead with a variety of hearings and legislative proposals on the energy credibility and information problem. Even the administration now favors comprehensive energy information legislation and has proposed its own bill.

In addition, there are other steps to be taken. I have proposed legislation that would create a select committee to study the causes of the energy crisis, particularly the oil and gas industry's involvement. Also, I have introduced a bill which would establish a national energy information system open to the public and require the Department of Interior to undertake a complete inventory of all U.S. energy resources on public lands and elsewhere to be monitored by Congress watchdog agency, the General Accounting Office. This last proposal is especially vital if the Federal Government is to make energy policy in the public interest. I am advised that the Senate Interior Committee is marking up a bill similar to mine and I am hopeful for congressional action in the near future.

LOOKING AHEAD

The hardships of the last 5 months have not yet produced a consensus on what our national energy policy should be. There is vague agreement on seeking energy self-sufficiency, but vigorous differences on when and how this goal can be achieved and what human and environmental costs are acceptable to achieve it. The energy information gap, aggravated by the narcotic effect of the ending of the embargo, is a major cause for this lack of consensus. In addition to its efforts to cope with the shortrun problems, Congress is also at work on a variety of legislative measures seeking to increase U.S. energy supplies and our future energy alternatives, but with discouraging slowness, partly because of committee jurisdictional conflicts. We must also try to bring a measure of justice to the energy supply and price distribution system in this country. Hopefully, the day when the oil and gas industry could have things all their own way is over.

RESULTS OF SURVEY ON LAND DISTURBED BY SURFACE MINING

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. MICHEL. Mr. Speaker, I have just obtained the results of a new survey conducted by the Soil Conservation Service in the Department of Agriculture of the status of land disturbed by surface mining in each of our States.

While similar surveys were made by SCS in 1964 and 1971, the 1973 survey is the first to break down the disturbed acreages into three categories of minerals—specifically, into coal, sand and gravel; and all other surface mined commodities. In light of current national interest in surface mining for coal, this is a most timely and useful breakdown.

In some ways, the result of the latest survey are distressing; in others, they are encouraging.

First, the survey reports that a total of 4.4 million acres of land has been disturbed by surface mining in the United States over the years. Of this total, more than 2.5 million acres are in need of reclamation—an increase of half a million acres since the first survey conducted by SCS in 1965. Almost a million acres needing reclamation were disturbed by coal mining.

At the same time, however, SCS reports that nearly 1.9 million acres of surface mined land no longer require reclamation, either because natural processes have healed the scars or, more significantly, because of the reclamation efforts of thousands of individuals and companies, many of them working in close cooperation with local conservation districts.

The role of soil conservation districts in mined land reclamation is not generally understood or appreciated. Restoring surface mined acres to productive use is as much a part of the day-to-day work of these districts as is healing the gullies in fields eroded by water or keeping the soil from blowing in the Great Plains.

The SCS survey reveals that 1,973 local conservation districts—or about two-thirds of all the districts in the Nation—have been involved in efforts to reclaim more than 1 million acres of surface-mined land. This work is not limited to a few localities, but is being carried on in 49 of our 50 States. The conservation districts, together with the SCS technicians assigned to work with them, have assisted 22,511 district cooperators with mine reclamation projects. It should be remembered that most of these cooperators are not mining companies, but are individual farmers and ranchers. The overwhelming majority of the acres on which reclamation is taking place are privately owned farm and ranchlands.

SCS statistics also reveal that the pace of reclamation work by private landowners is speeding up. Previous surveys by the agency reveal involvement by only 1,337 conservation districts, compared with the nearly 2,000 today. The number of cooperators increased from 10,000 to the present figure of more than 22,000—more than double in less than a decade. And the acres reclaimed have risen from 338,000 to more than a million today. This rapid increase in activity is an indication of a growing recognition of the need for mined land reclamation by both districts and individual farmers and ranchers.

This widespread reclamation work through the country is resulting in significant reductions in soil erosion, sedimentation, and pollution of streams from acid mine waste. It is adding to the scenic beauty of our countryside. And it is helping to transform useless lands into productive lands—useful for forests, for pasture or range, wildlife habitat, recreation, crop production, or even building sites.

Some of the specific contributions of the conservation districts and the Soil Conservation Service to mined land reclamation include providing soils information; guidelines for shaping the damaged land; information on new plant varieties to fight erosion and provide attractive ground cover; and designs for water control structures to prevent further damage to land and waterways.

Many of the plants which are proving most effective in revegetating mined areas were developed by SCS at one of its 20 plant material centers around the country. The SCS center at Quicksand, Ky., was established specifically to locate, study, and increase the supply of plants to reclaim surface mined land. Some of these plants grow well in thin or acid soil; others thrive on steep slopes, where they prevent further erosion and slides. Among the most useful of these plants are cardinal autumn olive, Arnot bristly locust, Rem red amur honeysuckle, emerald crownvetch, Japanese bush lespedeza, and weeping lovegrass. These plants are well adapted to mined areas and provide needed surface cover faster than trees. Several varieties also provide food and cover for wildlife and are most attractive.

But encouraging as this work may be, we should not lose sight of the fact that the acreage of surface mined land requiring reclamation is also going up, and that reclamation of many hundreds of thousands of acres may well be beyond the financial reach of many farmers, ranchers, and small companies. The districts and the SCS technicians have enormous technical competence, but it will take more than competence alone to restore many of the "orphan" mined lands in the United States. It will also take money and leadership.

I include the results of the January 1, 1974, survey by SCS of the "Status of Land Disturbed by Surface Mining, by States," in the RECORD:

U.S. DEPARTMENT OF AGRICULTURE,
SOIL CONSERVATION SERVICE,
Washington, D.C., March 26, 1974.

From: Kenneth E. Grant, Administrator.

Re: Status of Land Disturbed by Surface Mining as of January 1, 1974, by States.

The recent estimates made of the status of land disturbed by surface mining in each state is summarized in Table 1. This is the third such estimate. Prior ones were made in 1964 and 1971 by the Soil Conservation Service. This is the first one, however, to show the status of disturbed acreages by the kind of mineral materials removed (coal, sand, and gravel, and all other surface-mined commodities).

Recent federal legislative proposals have focused on surface mining for coal. For this reason, this newest survey is the first one by the Soil Conservation Service to separate surface mining for coal from sand and gravel and all other surface mining.

Some legislative proposals have separated "orphan" surface-mined lands from active and future surface mining activities. "Orphan" lands are ones which have been abandoned. That is, the economically minable materials have been extracted and the

mining operation has ceased. There is no evidence that the mining operation will be reopened.

Table 2 shows the nationwide changes in the status of surface-mined lands from 1964 through 1973. In the publication, "Surface Mining and Our Environment—A Special Report to the Nation," by the USDI, it was estimated that "153,000 acres of land were disturbed in 1964 by strip and surface mining. . . . This annual rate of disturbance is expected to increase in future years." Table 2 shows that the total land disturbed annually in the last two years has indeed exceeded the 1964 rate of disturbance by 35 percent. The present concerns about energy combined with the knowledge about our huge coal reserves make it quite likely that the annual rate of land disturbance will be even greater.

We are pleased to see the increasing role of conservation districts and their cooperators in reclaiming surface-mined areas. Tables 3 and 4 summarize their inputs.

These data may be used in news releases, feature stories and other informational activities. They will prove useful, too, in planning program activities and evaluating progress in surface-mined area reclamation.

In connection with using individual statewide figures, we noticed that a number of states showed fewer acres of total land disturbed in this newest survey than is shown in the 1972 survey report. In some instances we know this has been due to more precise information. We believe these kinds of differences do not seriously affect our national figures. However, state conservationists should be aware of any problems which might occur as a result of such differences in figures for their state.

NORMAN A. BORG,
Acting Administrator.

TABLE 1.—STATUS OF LAND DISTURBED BY SURFACE MINING IN THE UNITED STATES AS OF JAN. 1, 1974, BY STATES[1]

State	Land needing reclamation						Land not requiring reclamation	Total land disturbed
	Reclamation not required by any law			Reclamation required by law				
	Coal mines	Sand and gravel	Other mined areas	Coal mines	Sand and gravel	Other mined areas		
Alabama	57,878	17,369	17,747	7,118	1,800	2,816	75,432	180,160
Alaska	2,400	1,900	4,000				4,260	12,560
Arizona	150	3,180	48,700				43,070	95,100
Arkansas	9,451	7,973	10,293	494	3,417	1,515	14,822	47,965
California		62,730	6,970				109,500	179,200
Caribbean area								
Colorado	4,687	20,655	512	641	18,484	417	13,582	58,978
Connecticut		9,930	160		4,675	425	130	15,320
Delaware		2,558	330				1,717	4,605
Florida		11,144	110,402		1,467	71,472	54,694	249,179
Georgia		1,285	14,779		1,125	12,425	8,744	38,358
Hawaii		25	1,000				250	1,275
Idaho		10,635	13,598	175	594	938	3,251	29,191
Illinois	49,748	4,840	3,130	20,891	45	1,284	103,579	183,517
Indiana	2,500	8,500	7,800	6,000		200	123,662	148,662
Iowa	25,650	20,300	2,414					48,364
Kansas	43,700	13,062	19,052	2,500	598	2,068	14,028	95,008
Kentucky	69,000			117,000	2,852	7,083	94,000	289,935
Louisiana		14,820	959				6,925	22,704
Maine		23,030	1,592		1,236	455	13,287	39,600
Maryland	2,250	11,825	3,942	3,851	4,749	966	16,683	44,266
Massachusetts		15,642	1,738		12,798	1,422	23,150	54,750
Michigan	500	43,402	24,769		7,286	880	22,601	99,438
Minnesota		29,789	25,592		9,124	5,288	69,071	138,864
Mississippi		34,529	10,069				873	45,471
Missouri	72,506	6,426	11,850	1,250	75	625	20,596	113,328
Montana	300	9,800	5,090	300	200	660	15,260	31,610
Nebraska		15,138	4,087				6,156	25,386
Nevada		16,474	5,491				13,288	35,253
New Hampshire		7,900					4,400	12,300
New Jersey		16,500	500		600	200	12,200	30,000
New Mexico		6,506	14,150	25,798			1,261	47,715
New York		38,184	17,426		6,123	1,752	18,458	81,943
North Carolina		11,900	4,800		3,700	5,200	7,000	32,600
North Dakota	10,000	9,200	2,500	200	500	100	23,000	45,500
Ohio	23,926	15,557	19,276	45,825			225,664	330,248
Oklahoma	13,858	6,348	5,209	6,350	2,044	2,883	21,211	57,903
Oregon		5,105	1,495		80	20	2,900	9,600
Pennsylvania	159,000	10,500	20,500	33,000	12,500	22,500	220,000	478,000
Rhode Island		2,000	700				1,300	4,000
South Carolina		8,500	12,000				15,000	35,500
South Dakota	790	9,455	5,601		6,012	595	51,084	73,537
Tennessee	20,500	4,850	6,000	5,200	100	600	88,450	125,700
Texas	5,470	126,595	51,927				30,311	214,303
Utah	120	1,480	1,800				2,800	6,200
Vermont		4,350						4,350
Virginia	18,000	1,725	5,475	5,014	775	2,455	38,664	72,108
Washington	471	11,328	6,935	1,010	9,649	1,146	2,494	33,033
West Virginia	25,720	1,000		51,560			197,930	276,210
Wisconsin	234	40,526	5,406	76	7,204	990	23,887	78,323
Wyoming	3,078	400	11,920	2,828	280	7,686	15,398	41,590
Total	621,887	756,870	549,686	337,081	120,092	157,066	1,876,028	4,418,710

[1] Based on information supplied by Soil Conservation Service State conservationists.

TABLE 2.—STATUS OF LAND DISTURBED BY SURFACE MINING IN THE UNITED STATES FROM JAN. 1, 1965 TO JAN. 1, 1974

[Thousand acres]

	1965[1]	1972[2]	1974[3]
Land requiring reclamation	2,040.6	2,181.2	2,542.7
Land not requiring reclamation	1,147.2	1,823.7	1,876.0
Total land disturbed	3,187.8	4,004.9	4,418.7

[1] Surface Mining and Our Environment—A Special Report, app. I, table 2.
[2] Survey made by the Soil Conservation Service and reported in the Congressional Record—Senate, p. 16371, Oct. 29, 1972.
[3] Survey made by the Soil Conservation Service.

TABLE 3.—MINED LAND RECLAMATION WORK IN CONSERVATION DISTRICTS THROUGH JAN. 1, 1974

State	Number of districts involved	Number of district cooperators	Area reclaimed (acres)
Alabama	52	536	48,565
Alaska	1		200
Arizona	8	14	6,400
Arkansas	72	738	9,173
California	42	58	7,500
Caribbean area			
Colorado	12	8	2,348
Connecticut	7	26	1,940
Delaware	3	78	1,211
Florida	46	421	33,823
Georgia	19	170	5,192
Hawaii	2	2	200
Idaho	51	65	2,583
Illinois	60	130	90,000
Indiana	15	224	123,662
Iowa	29	169	3,500
Kansas	102	4,739	7,660
Kentucky	54	152	94,000
Louisiana	24	296	4,155
Maine	16	218	920
Maryland	24	287	7,838
Massachusetts	15	250	23,150
Michigan	85	431	11,484
Minnesota	92	1,527	7,041
Mississippi	80	834	12,263
Missouri	22	57	2,130
Montana	50	105	2,950
Nebraska	24	250	19,225

TABLE 3.—MINED LAND RECLAMATION WORK IN CONSERVATION DISTRICTS THROUGH JAN. 1, 1974—Con.

State	Number of districts involved	Number of district cooperators	Area reclaimed (acres)
Nevada	3	3	265
New Hampshire	10	50	210
New Jersey	7	10	400
New Mexico	52	986	730
New York	39	159	3,674
North Carolina	73	407	6,100
North Dakota	65	1,500	17,000
Ohio	88	400	225,664
Oklahoma	73	849	8,650
Oregon	20	50	250
Pennsylvania	66	800	58,500
Rhode Island	3	6	
South Carolina	15	25	1,600
South Dakota	63	1,120	2,140
Tennessee	20	222	10,030
Texas	190	3,226	38,410
Utah	7	8	306
Vermont			
Virginia	15	38	23,020
Washington	62	442	2,059
West Virginia	11	2,600	73,000
Wisconsin	72	758	5,593
Wyoming	12	22	6,430
Total	1,973	22,511	1,013,144

TABLE 4.—NATIONAL TRENDS IN MINED-LAND RECLAMATION WORK INVOLVEMENT BY CONSERVATION DISTRICTS, 1965–74 [1]

	1965–72	[2] 1974
Number of districts involved	1,337	1,973
Number of cooperators	10,218	22,511
Acres reclaimed (thousand acres)	338.0	1,013.1

[1] Based on information from Soil Conservation Service State offices.
[2] Total to Jan. 1, 1974.

ARTICLE CLEARLY DESCRIBES DISPUTE OVER ADEQUACY OF VIETNAM ERA VETS BENEFITS

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. HEINZ. Mr. Speaker, there is a pressing need to greatly upgrade and extend educational and rehabilitation benefits for veterans, especially those of the Vietnam era. I hope that with such eventual upgrading will come equalization so that recent veterans will have the same opportunities as those afforded veterans of World War II and Korea.

That is the aim of H.R. 12506, which I introduced on February 4, 1974.

In the Sunday, April 7, edition of the Washington Post, there appeared an article which spells out precisely the problems facing today's young veterans. I think it provides valuable insights into a problem affecting many of our young men and women today and I am having it inserted in the RECORD at this point for the benefit of my colleagues who might not have read it:

[From the Washington Post, Apr. 7, 1974]

ARE VETS' BENEFITS ADEQUATE?

(By William Greider)

There's an established tradition in America that, in between wars, people argue about how the country is treating its old soldiers.

Donald E. Johnson, a World War II vet himself and former national commander of the American Legion, blistered public indifference toward the veterans in typical rhetoric, designed to provoke patriotic guilt.

"They believe they are forgotten men, fighting to halt aggression halfway round the world and receiving little or no recognition for it," Johnson complained.

That speech was in 1953 and the vets were from the Korean War. Now there is a new generation of "forgotten men" from Vietnam. And Donald Johnson, as President Nixon's chief of the Veterans Administration, is catching the flak about how they are treated.

Last week, for instance three national veterans' organizations, an influential congressman and a senator called for Johnson's ouster as head of the VA. They accuse him of crippling both educational and medical programs, and blame him for problems ranging from poor care at the VA's 170 hospitals to late benefit checks for the 1.5 million Vietnam vets who are going to school on the GI bill.

"The present GI bill system," the Vietnam Veterans Center proclaims, "violates the intent of Congress and denies education and training to millions of needy Vietnam era veterans."

Yet Donald Johnson says, in so many words, that U.S. veterans never had it so good. The government is spending $13 billion a year on them now, an enormous increase over the last few years, and they are using the programs—from educational aid to home loans—in record numbers.

The VA asserts: "The average Vietnam veteran attending a four-year public or a two-year public institution has educational benefits slightly higher than his World War II counterpart when adjustments for changes in the Consumer Price Index are made."

So, for veterans, it is either the best of times or the worst of times, depending on whom you listen to. Which one is right?

The answer is complicated because, in some respects, they are both right. For millions of young men home from Vietnam, the GI bill today gives them everything their fathers got when they came home from World War II and maybe even a little extra. Yet for another group of today's veterans—especially the poor, especially the young married men—it's not such a good deal. A lot of them—millions of them—are not going to school because today's GI bill doesn't pay the bills the way it did a generation ago.

To understand the arguments on both sides, you have to go back to the heady fanfare which greeted the homecoming GI's after V-J Day in 1945. In its patriotic fervor, Congress had already enacted the GI bill, an unprecedented plan to help the veterans of World War II—low-interest home loans, temporary housing, cash supplements during their first year of adjustment and most important, an educational aid program which helped to revolutionize higher education in America.

Every veteran could go to school anywhere he chose and the government would pick up the whole tab for books, fees and tuition, up to $500. Even with the postwar inflation, $500 would buy the best education in America. Harvard's enrollment in 1947 was 59 percent veterans. The money went directly to the schools and each veteran, if he was single, received $75 a month for his living expenses, slightly more if he had a family.

The plan worked so well, opening doors for so many young Americans who would never have dreamed of a college education, that it is fondly remembered as an important social equalizer, a chance for millions to raise their economic status.

Yet VA officials had a different memory burned into their collective consciousness—a national scandal. In 1950, congressional investigators discovered that a lot of schools and colleges were getting rich on the vets, jacking up tuition rates to collect more from the government treasury.

One college increased its charge for vets from $25 to $100 per quarter. Anothr raised its rate from $15 to $100 per quarter. Another raised its rate from $15 to $200 though its cost per student averaged $65 after its other federal aid grants were deducted.

One state military school collected from both the state government and the VA and then paid cash bonuses to its students when they graduated. Some colleges built fancy stadiums, thanks in large part to the GI bill.

As it hapepns, that 1950 investigation was led by Rep. Olin Teague (D-Tex.), former chairman of the House Veterans Affairs Committee and still its ranking Democrat. The experience persuaded Teague that university administrators couldn't be trusted with direct tuition grants. It absolutely traumatized the VA bureaucrats. Never again, they said.

The system was changed for the Korean conflict veterans. Instead of direct payments to the schools, each vet would get a monthly allowance which was supposed to be large enough to cover his tuition and his living expenses.

That approach is under attack now as inequitable and terribly inadequate for millions of veterans. Some senators and congressmen (though not Teague) are pushing legislation which would create a tuition supplement, up to $600, depending on the cost of a veteran's particular school.

The Vietnam vet, if he is single with no dependents, receives a monthly check of $220—or $1,980 which has to cover his tuition, books, fees, and nine months of rent, food and so forth. Obviously, that won't get you into Harvard where tuition, room and board will cost $5,700 next fall. Harvard had 1.5 percent veterans in its 1972 enrollment.

But it also won't get you into Slippery Rock State College in Pennsylvania, which will cost $2,350 next fall, or scores of other private and public institutions where the price of higher education has skyrocketed. NYU had 14,359 vets in 1947—last year it had 463.

Congress has raised the education allowance twice in the last five years, both times over objections from the VA and the White House. The House recently passed another increase of 13 percent and Senate leaders are thinking of an even bigger figure, though the Nixon Administration wants to hold it to an 8 percent increase.

Overall, the VA insists that current participation under the GI bill is better than it ever was before. Approximately 51 percent of the Vietnam era's 6.5 million veterans have used the aid for some kind of schooling (24 percent of them went to college). That compares to 42 percent participation after the Korean war and 50 percent for World War II vets (when 15 percent went to college).

The trouble with that comparison, according to the critics, is that Vietnam vets are coming home to a different world—where college education is not so rare. In 1940, only about seven percent of Americans, age 25 to 29, had been to college. By 1970, that group had nearly tripled in size. Thus, the World War II vets were breaking the national pattern and reshaping it. The Vietnam vets are more or less following it.

But the major complaint is that the current system of monthly checks serves veterans in a discriminatory way. If he lives in a state like California where public education is virtually free, the $220 a month is a good deal. Even if he is married with children, he may be able to manage it. Even if he is poor.

But if he lives in a state like New York or Ohio or Indiana or Pennsylvania where even public schools charge some stiff fees, his opportunities go way down, especially when the local job market is so tight he cannot find parttime employment. California, which supports a large system of junior colleges as well as four-year colleges, has the highest college participation rate among its veterans—37 percent. In Indiana, it is 4 percent.

"The GI bill is adequate," said Forrest Lindley, one of the young vets lobbying for improvements, "only if you are a single vet going to a public school in a low-tuition state."

For instance, two-thirds of the Vietnam veterans are married, but only about one of seven of them is using the GI bill. Lindley

and others also argue that on a strict dollar-for-dollar comparison the maximum World War II benefits equal about $3,800 in current dollars, compared to the $1,980 in allowances provided today. Vets are also more likely to use the GI bill if they were already in college before the war—suggesting that middle-class vets are cashing in more easily than the poor.

The VA turns the question around, however. By looking only at those who are using the GI bill today, most of whom are going to public low-cost schools, it concludes that a slight majority of them would actually lose if the government returned to the old system. For instance, the old $75 allowance translates into about $166 a month in today's dollars. A Vietnam veteran who is now getting $220 a month (and who attends a tuition-free school) gets a little more cash.

But what about the millions who aren't going to school? Or those who just happen to live in states where public education isn't so cheap? The reformers are pushing a "tuition equalizer" which would help them—a government voucher for tuition costs over the national average of $400 but limited to a ceiling of $1,000.

That still wouldn't get many veterans into Harvard, but it would open up a wide number of public and private colleges, especially in the Midwest and East, which are now too dear for someone trying to live on GI benefits. There are companion proposals too, such as an "accelerator" provision which would allow married vets to use up their entitlement faster and get more cash each month.

The VA opposes those measures. So does Rep. Teague. In terms of choice, they would agree that today's veterans can't afford the more expensive schools which were open to vets after World War II. But then neither can the non-veterans. College enrollment has shifted heavily toward public institutions because of soaring tuition, a trend which the VA doesn't see as especially harmful.

Likewise, they concede that the present system creates some geographical bias. A Pennsylvania vet has money problems which don't confront a California vet.

"There's no pretense," said Meadows, "of the program being designed to meet all the peculiar problems of the individual. It's designed to provide equal benefits for equal service."

The critics argue that the principle is a sham when so many veterans can't buy the same educational services with their "equal benefits." Yet, as Meadows argues, if Congress does provide tuition supplements for states which don't provide low-cost public schools for their young, is that fair to states like California which do?

"You're not going to shovel out 600 to high-cost schools in Pennsylvania or New York without the others wanting the same thing," Meadows warned.

Congress will have to answer that question if it goes for the tuition plan this year. Meanwhile, it will be fighting the Nixon Administration over Donald Johnson's management of the VA as well as on the basic issue of how much benefits should be increased to keep up with inflation. The old soldiers won't be forgotten, at least for a while.

CASE FOR A FEDERAL OIL AND GAS CORPORATION—NO. 18

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. HARRINGTON. Mr. Speaker, in an extension of remarks I inserted in the RECORD of March 18, I pointed out that the President has recommended that Standard Oil of California be permitted to extract up to 160,000 barrels of oil a day from the Navy oil reserve at Elk Hills, Calif. Such action would ostensibly help relieve the energy crisis; however, as I noted, while Socal would realize $200 million in profits in the first year of production, our energy plight would be unaltered because the amount of oil which could be recovered represents only nine-tenths of 1 percent of our total domestic consumption.

On March 23, the New Republic discussed the consequences of allowing Socal to develop Elk Hills, and suggested that a Federal Oil and Gas Corporation "explore, maintain, and exploit Federal oil lands," if such lands are to be exploited at all. The article illustrates the possible value of a Federal Oil and Gas Corporation in safeguarding resources like Elk Hills, and I wish to call my colleagues' attention to it.

The article follows:

STANDARD OPERATING PROCEDURE

The President and three congressmen from California, Alphonzo Bell, James Corman and William Ketchum, are leading a campaign to open the navy oil reserve at Elk Hills to private—not public—development. Under existing law, written to prevent a repetition of Teapot Dome scandals, it can't be exploited except during a national emergency, and Mr. Nixon tells us the "crisis has passed." The last time anyone opened Elk Hills other than in wartime was during Warren Harding's administration when the reserve was leased fraudulently to oil magnate Edward Doheny. (His leases were subsequently cancelled.) But in 1970 Mr. Nixon began promoting a plan whereby oil companies would give the government certain leases of doubtful value in the Santa Barbara Channel, some of which proved unusable after the famous blow-out that soaked the beaches with oil, and in return the government would give the companies either money or an equivalent in oil to repay their losses in Santa Barbara. Either way, fabulously rich Elk Hills was to be tapped to finance the transaction. Congress was not impressed by the plan and it was set aside. What was not set aside was the President's request for immediate authority to open Elk Hills. The navy was persuaded that an emergency exists, approved the request and passed it on to the Senate, which quickly drafted legislation.

The legislation might have been approved by Christmas if the meddlesome House Armed Services Committee hadn't interfered. Rep. Edward Hébert (D, La.), chairman of the committee, has a literal mind no one would open Elk Hills until Hébert was convinced there *was* a national emergency. He turned over the Elk Hills proposal to a subcommittee "for study," which is to say, for burial. On March 5, however, Rep. Bell, former president of Bell Petroleum in California, and Rep. Ketchum, whose district includes Elk Hills, announced they were filing a "discharge petition" to force Hébert to release the bill. They have since been joined by about 25 cosigners, including Reps. Corman, Drinan and Conte. The petition needs 218 signatures to prevail.

Who would benefit? Consumers would barely feel the effect, for the legislation would allow production of only one percent of the amount of gasoline used each day in the United States. But the effect on California oil companies would be tremendous, the chief beneficiary being Standard Oil of California (Socal), the largest oil company in the state, which owns about 20 percent of the land inside the navy reserve. In 1944 Socal signed a special contract agreeing not to remove oil from its part of Elk Hills without the navy's consent; that is, only in the event of a national emergency. Socal also runs the reserve for the navy, because it owns the only pipeline in the vicinity.

When the administration wanted to trade the Santa Barbara leases for Elk Hills four years ago, Richard Kleindienst, then Deputy Attorney General, advised the White House against it. His confidential memo, released on March 7 by Rep. John Moss, shows that from the beginning both the White House and the Justice Department were aware of the flaws in the Santa Barbara deal and of Socal's monopoly position in Elk Hills. Kleindienst, writing to Robert Mayo in the budget office, pointed out that Socal had large investments in the troubled Santa Barbara Channel, and that an increase in Elk Hills production would probably damage the reserve. He described Socal's monopoly in the clearest terms: ". . . the question is whether the navy can sell the oil on the open market at a fair market price. While the navy could, of course, purport to make the oil available on arms length competitive bids, lack of opportunity for effective competition with respect to oil on the reserve would prevent establishment there of a fair market price. Standard Oil Company of California is in a controlling position with respect to such oil sales. . . . Standard owns the only pipeline connected to the field, which any purchaser of Elk Hills oil must use for the first link in transportation to any refinery. The Standard line, however, is a private carrier, handling only oil owned by the company. Consequently, in order to move the oil, any purchaser must make arrangements for sale to Standard and repurchase from it at the delivery point. These factors constitute a serious limitation of the opportunity of competitors of Standard to bid."

That warning went to the White House in April 1970, but didn't stop the administration from pushing the Santa Barbara trade-off. Nor did it stop the President from approving a special contract with Shell Oil for the sale of excess oil coming out of the reserve. The government only considered two bids for that contract, tendered by Shell and Socal. They were identical.

Rep. Moss has released another batch of confidential memos that give us a glimpse of Socal's inner workings. They reveal that Socal executives in San Francisco have been trying since 1970 to find a way to tap oil pools under its property which run into the reserve. If they were tapped they would cost the navy not only oil, but extra maintenance fees paid to Socal. Most of the discussion in these memos turns on the problem of how to drill close to Elk Hills without alarming the navy or exciting the interest of its legal team. A company recommendation of June 21, 1973 says, "The play [exploratory drilling] should be given further detailed review from an operating standpoint to determine how far away from the boundary of the reserve drilling and production could be kept, and how long a time might go by before evidence of potential drainage of the reserve might become evident." A memo in July written by John Thacher, then assistant to the chairman of the Socal board, warned against drilling too close to the reserve: "I think we should exercise extreme caution before drilling locations to the south of the initial well. . . ." In another memo written just before Socal made up its mind to drill near the reserve, Thacher proposed defending the action, if challenged, by saying that the drill site at "7–R" was chosen because Socal thought it would do the least damage of several sites being considered. Thacher was overruled by the president of the company, Harold J. Haynes, who argued that Socal might want to bite deeper into the reserve later on. Socal wanted to move discreetly; it also wanted to move quickly, as

one memo said, because this "could allow considerable production *before* government reacts."

The game plan was a success. With negligible exploratory and legal costs, Socal sank 10 wells next to the reserve last year and removed 1.5 million barrels of excellent crude oil before it was stopped. At the free market rate that oil was worth $15 million. After proving that the company was draining the reserve, the navy went to court and won an injunction against Socal on February 14.

Why does the President believe that Elk Hills must now be opened? As noted the bill in Congress if passed would supply only 70,400 barrels of gasoline a day in a country that demands between six and seven million barrels a day. It wouldn't lower the price of gas, because under present regulations the Elk Hills oil would be sold at the free market rate, about $10 a barrel. But it *would* help the California oil industry and some of the President's friends at Socal. They kicked in about $163,000 for his campaign in 1972.

If the Arab embargo is soon to be lifted, as reported last week, the President's rationale for quick action on Elk Hills may be rendered "inoperative." But basic decisions still have to be made. As panic subsides Congress can more coolly consider whether there are not better ways to dispose of public-owned oil than by dumping it into the tanks of the nearest monopoly. A public corporation of the sort envisioned in Sen. Adlai Stevenson's energy bill (S2506) is the appropriate instrument to explore, maintain and exploit federal oil lands. The bill, now in markup before the Senate Commerce Committee, would set up an oil and gas company that reports to but is independent of the federal government. The FOGC, as it is called, would be entitled to 20 percent of all federal oil and gas leases offered each year, and it would become the prime contractor for all work on the reserves. It would end Socal's stranglehold on Elk Hills and prevent similar monopoly exploitation at other reserves.

WANTS YOUR OPINION

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. EILBERG. Mr. Speaker, every year I have been in Congress since 1967 I have sent a questionnaire to every home in my district. This is the eighth time I will be sending out this survey. Each of the previous questionnaires have proved invaluable to me as the representative of the people of the Fourth District of Pennsylvania.

At this time I enter into the RECORD the letter to the residents of my district which will accompany the questionnaire and the questionnaire itself:

WANTS YOUR OPINION

APRIL 1974.

DEAR FRIEND: Every year I have been in Congress I have asked for your help in deciding how I should vote on the issues before the country. This year more than ever, it is vital that you speak out. The manner in which we solve the problems now facing us will affect our lives for many years to come.

Henry Clay said, "Government is a trust, and the officers of the government are trustees; and both the trust and the trustees are created for the benefit of the people."

For the first time in this century, the nation has been confronted with the possibility that this trust has been violated, and the question of the impeachment of the President of the United States is under serious consideration.

While my decision on how I shall vote on the matter of impeachment must be based solely on the evidence gathered by the staff of the Judiciary Committee of the House of Representatives, I should know your feelings on questions of policy and the President's conduct.

Additionally, the country is facing the combined problems of a shortage of energy, rapidly rising prices for basic necessities, and increasing unemployment. It is a situation we have never had to deal with before.

If I am to represent your interests in the Congress, I must know how you have been affected by these conditions and what you believe should be done about them.

It will only take a few minutes to answer the questions. Your answers will be confidential. If you have any additional comments, please do not hesitate to add them to the questions.

If you want more than one questionnaire for your family, please contact by district office, 216 First Federal Building, Castor and Cottman Avenues, Philadelphia, Pennsylvania, 19111 (RA 2–1717).

When the answers are tabulated, I shall send the results to every household in the district.

With best wishes.

Sincerely,

JOSHUA EILBERG.

1. Do you believe the President's statement that he had no knowledge of either the planning of the Watergate break-in or the cover-up which followed it? Yes, no, undecided.

2. Should the President be held responsible for the actions of his aides? Yes, no, undecided.

3. Do you believe President Nixon should give the House Judiciary Committee all of the information the Committee requests for its impeachment inquiry? Yes, no, undecided.

4. If the President fails to comply with the Committee's requests, do you believe he should be impeached for withholding this evidence? Yes, no, undecided.

5. Should the United States refuse to grant trade concessions to the Soviet Union until the Russian Jews are permitted to emigrate to Israel? Yes, no, undecided.

6. Do you believe the "energy crisis" has been at least partially manufactured by the oil companies? Yes, no undecided.

7. Are the oil companies using the "energy crisis" to increase their profits? Yes, no, undecided.

8. The eight major petroleum companies control more than 50 percent of the industry. In order to increase competition in the oil industry, should these firms be forced to give up either the production and refining of fuel or the retail selling of gas and oil? Yes, no, undecided.

9. Should environmental regulations be reduced in order to make more fuel available? Yes, no, undecided.

10. If the fuel shortage continues, should the country adopt a system of gas rationing? Yes, no, undecided.

11. Do you believe the experiment with year-round Daylight Savings Time should be continued as a means of conserving energy? Yes, no, undecided.

12. Should grain sales to Russia and other countries continue if these sales continue to cause higher food prices? Yes, no, undecided.

13. Are you buying more or less:

Meat, more, less, same amount.

Poultry, more, less, same amount.

Fish, more, less, same amount.

Fresh fruits and vegetables, more, less, same amount.

Canned, powdered, and frozen foods, more, less, same amount.

14. Have the increases in the prices of basic necessities caused a noticeable change in your style of living? Yes, no, undecided.

15. Will you take a shorten or less expensive vacation this year? Yes, no, undecided.

16. Do you believe the Administration's policies will solve the nation's economic problems? Yes, no, undecided.

17. Do you believe the President is more concerned with helping big business instead of the consumer? Yes, no, undecided.

18. Should the United States reduce the number of troops stationed in Europe? Yes, no, undecided.

19. What do you think are the three most pressing problems facing America today: (Please list in order of urgency)

20. What is the one local problem which troubles you the most?

SUPERIOR JUDGE BOWIE GRAY

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. MATHIS of Georgia. Mr. Speaker, recently, in the Georgia Courts Journal there appeared an article written about a distinguished jurist in Georgia, Judge Bowie Gray. Judge Gray is a personal friend and an outstanding judge whose record of service is unsurpassed. A fair man, a learned man, a compassionate man, a tough man, Judge Bowie Gray is also a good man.

The article, written by another distinguished judge, James B. O'Connor of the Oconee Judicial Circuit, was reprinted in the Wiregrass Farmer in Turner County, Ashburn, Ga.

I was so impressed by the article that I include it in the CONGRESSIONAL RECORD for all to see:

SUPERIOR JUDGE BOWIE GRAY

It is a challenge and honor to write a "Profile" on Judge J. Bowie Gray, of Superior Court of the Tifton Judicial Circuit. He was born in Cragford, Alabama, graduated from high school and received the AB and LLB degrees from Mercer. From 1936 to 1940 he taught school, acted as athletic coach and practiced law in Adel. In 1940 he began service as a special agent with the F.B.I. with a variety of work assignments, mostly on the West Coast. In 1947 he began the practice of law in Tifton, a city which he selected solely as a personal choice, and served as Solicitor General of the Tifton Circuit from January 1, 1949, until January 8, 1955. At this time he was appointed to the present judgeship he holds to fill the unexpired term of William Clyde Fourhand. He has been elected to five full terms without opposition, his present term commencing January 1, 1973.

Bowie Gray is a "family" man whose success is based on a team effort with his lovely wife, Julia. She once attended his court and, after observing a lot of apparently idle moments on the bench, suggested that he take to court some Christmas cards and help her with the addressing. Julia recently "retired" as church organist at the First Methodist Church in Tifton after twenty years of service. They have two children, one daughter, Mrs. Gaines P. Wilburn, who lives with her husband, an IBM engineer, and their son, Brent, in Winston-Salem, North Carolina, and one son, J. Bowie Gray, Jr., a Mercer Law School graduate. He plans to begin the practice of law in Tifton and pending results of the Bar examination, he will be associated with a law firm there.

Judge Gray is an exceedingly qualified and

popular court judge. First, he competently and efficiently operates the courts of his four-county circuit on a well planned schedule. He is unafraid to experiment and try the innovative to improve his programs and techniques. His humor, patience, fairness and kindness are legend. Yet he knows also how to effectively use the vast authority of a superior court judge with fairness to all interests and he is in full control of his court at all times. He is very likely the least criticized and most liked trial judge in Georgia.

Bowie Gray has probably done more for the advancement of the judiciary in Georgia than any other person. He has missed almost no meetings of the Council of Superior Court Judges and its executive committee for over a decade. Untold hours have been expended by him in planning and participating in programs of enrichment of trial judges and planning agendas and legislation in their interests. He served as president of the Council of Superior Court Judges for the period December, 1968, through June, 1970. He was recently honored by being named a charter member and elected vice chairman of the Judicial Council of Georgia. He developed a jury charge in divorce cases which was presented at a seminar and which has become a standard work-tool for most superior court judges of Georgia.

Everyone should observe Bowie Gray participate in seminars such as the one presented for newer judges at Savannah last year to understand how he teaches others those attributes of an excellent trial judge which we all seek but rarely attain: respect for the other man's opinion and time, patience under all circumstances, often listening to arguments and opinions of others concerning problems in which he is much more well versed, never being critical or short with another judge and using authority only when it is appropriate to the situation. He is truly a man fitted to his role, successful in family life, church and community and a judge's judge, taking life and cases, big or small, in stride and keeping his head when others might lose theirs.

He avers that he is going to retire soon and with Julia do a bit of traveling and taking it easy. Whatever he does, his life and work serve as a model for all the trial judiciary of Georgia.

INSIDE THE MIDDLE EAST

HON. RICHARD T. HANNA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. HANNA. Mr. Speaker, the following is a report of a visit I made to the Middle East in January of this year. The report was prepared for Chairman HENRY GONZALEZ of the Banking and Currency's International Finance Subcommittee. Because of the growing national interest in relations between the Arab world and this country, I felt that the report might be of interest to all of my colleagues:

INSIDE THE MIDDLE EAST

I. MEETING BETWEEN CONGRESSMAN RICHARD HANNA AND VICE GOVERNOR KHALID AL-GOSAIBI ON JANUARY 29, 1974

On this date, I met with the Vice Governor of the Saudi Arabia Monetary Agency (SAMA). Mr. Al-Gosaibi is about 35 years old and studied in California at the University of California, receiving a Business Administration degree. He is next in line to Anwar *Ali, Governor of* what is in all respects the Central Bank of Saudi. Governor Ali, a Pakastani, is quite advanced in age and is presently not in good health, and it is our opinion that Al-Gosaibi will be the next Governor of SAMA.

In the discussions, the Vice Governor declined to outline plans under SAMA's consideration, stating that only Governor Anwar Ali was in a position to describe specific action being contemplated. He did, however, reveal several key facets of thinking of Saudi financial planners which could affect the direction and velocity of Saudi investments. The following points were those which we think indicate these facets of thinking:

(1) The Vice Governor stated that the Saudi by nature was cautious and from this he drew the implication that any plan now under consideration would have to be subject to a period of careful consideration.

(2) He pointed out that, if foreign businesses or foreign governments are to play an effective role in Saudi developmental planning, a meaningful dialogue must be established prior to the presentation of specific proposals. Al-Gosaibi agreed that such a dialogue was important because the Saudi's are hopeful of seeing an atmosphere of understanding established between themselves and the Western world and are desirous to observe that there are sincere efforts equally to appreciate their particular position and their peculiar problems.

(3) The Vice Governor also emphasized the Saudi preference to receive specific proposals from foreign businesses or foreign governments. He predicted that his country's decision-making process would be based on a thorough review of the proposals submitted. He indicated that, rather than the Saudi's actively developing their own plans for the immediate future, their *modus operandi* would be more that of reacting after a thorough review of proposals submitted by others.

(4) In a rather candid expression of basic Saudi and Arab characteristics, the Vice Governor reminded me that the earliest Western visitor in modern times, Lawrence of Arabia, had observed that the Arab was poor but proud. He expressed the hope that the Western world would not now judge that the Arab was rich and humble. This suggests to me that there has to be some acceptance and understanding by the westerner of the pride that is characteristic of the Arab today, as in other days, and that proposals must be couched in such a manner as to respect the cultural heritage that each Arab reflects and that his aspirations will be based upon the value systems of his own culture.

Finally, although I made efforts to make contact with Governor Anwar Ali before leaving in January, he was ill and, thus, was unavailable to renew our previous long-standing friendship.

II. SUMMARY OF VIEWS FROM KUWAIT

I spent a period from January 19–23, 1974 in Kuwait and I will set herein below an abstract of what appeared to be the principal points relative to Kuwaiti assessment of the economic, financial and monetary picture, both domestically and in the world sense as it affects them domestically.

The persons with whom I had dialogue and conference included Dr. Mohamed Shamali, Director of the Kuwait Institute for Scientific Research; Mr. Hamza Abbas Hussain, Governor of the Central Bank; Mr. Yusuf al-Shayji, Director of the Savings and Credit Bank; Mr. Abdulrahman al-Ghunaim, Undersecretary of the Ministry of Posts, Telephones and Telegraphs; and an important group from the Ministry of Finance and Oil embracing the Undersecretary Abrulwahab Mohamad Abdulwahab, and Mr. Khaled Abu Saud and Mr. Mohedin Farraj. I also spoke with Mr. Ahmad Duaij, Director General of the Kuwait Planning Board and further, had a discussion with a group headed by Abd al-Aziz al-Sagar, Chairman of the Kuwait Chamber of Commerce. After that meeting, I met with three general managers of the major banks, all westerners: Mr. Robert Sinclair, a Scotsman, head of the Gulf Bank; Mr. Philippe Dupardin, a Frenchman, head of the Ahli Bank of Kuwait; and Mr. C. D. Fears, an Englishman, who heads the National Bank of Kuwait. I will discuss my impressions of these meetings under the following headings:

A. Kuwaiti attitudes on oil production and the world monetary situation

The general agreement was that Kuwait sees the pressure for production of oil as a demand for a transfer of assets; a transfer, that is, of oil reserves to western world currencies and such investment as these currencies might make available. The oil reserves in the ground to the Kuwaiti look safe and durable, having an assured, continuing value. They view these reserves as protected from the erosion of inflation and from the gyrations of currency floats and, further, as a firm deposit of wealth for future generations in their country.

Most Kuwaitis contend that, although they would like to respond reasonably to the energy requirements of other nations in the world, they would prefer some assurances that in the transfer of assets they would not lose the desirable characteristics which they now attribute to their actual reserves. The confidence they seek seems to require new ingredients which at the present appear to be as difficult as they are desirable; to wit, they want peace in the Middle East and stability in the international monetary situation, to which we should all issue a solemn Amen.

It was clear that the Kuwaiti in particular, and perhaps the Arab in general, is very unenthusiastic about currency floats which erode his money assets. The bankers with whom I talked indicated that this was one of the greatest problems they face in terms of their relationship with their Arab clients. The Arab adverse attitude towards currency fluctuation plays a very heavy role in making sales subject to letters of credit adjusted to currency changes exceedingly difficult.

The Arab mind finds it impossible to accept that someone can, by an unrelated decision, reduce the return agreed upon between two parties to an oil sales transaction or to his purchase of some commodity from a country whose currency he holds.

The Kuwaiti economic advisors are, on the whole, suggesting a cautious attitude to increased oil production. They prefer to wait until such time as a clear cut relationship between the baskets of currency and some IMF numeraire, such as the SDR, has been more clearly defined. Their concern is that in the basket of currencies the float more often than not adversely affects the values of the very currencies they have received in payment for their oil.

They would prefer at this time an IMF agreement for pegging that would limit this fluctuating effect upon the transactions in which they are involved. (It sounded to me as if they were expressing a hope for a movement to some kind of a fixed ratio such as has been practiced in the snake of the EEC.)

The second major concern the Kuwaitis entertain is evolved around the inflation they see running at 8 to 12% in the advanced countries which are importing their oil. They painfully reminded me that the increases in the price of their oil have been no greater, and in some instances, of less dimension, than the increases in Western and U.S. products, such as wheat, rice, vegetable oils, cement, steel, fibers, paper, and etc., all of which are needed as imports for the oil producing countries.

At the base of these discussions, I gleaned the suggestion that countries like the U.S., Japan and Germany should level or perhaps even decrease slightly the growth of their internal standards of living for at least a

modest period in the near future as a requirement for achieving the goal of stabilizing currencies and deterring inflation.

The third concern relative to changing oil into currency assets was the problem of protection for long-term and safe investments which would provide some reasonable parallel future insurance for coming generations of Arabs who could not participate in the benefits of present extraction of the oil reserves.

It was obvious that they felt some deficiency in sophistication in money management and investment expertise which would assure that the majority of their investments would be sound and would provide a predictable downstream return that would justify their decision to make the change of asset which we have originally discussed.

On the whole, we felt their concerns in this total area were reasonable and by-and-large we were surprised and somewhat disappointed to learn that very few overtures for discussion in this realm had been made by any responsible parties in the monetary and banking community of the Western nations.

It would be our recommendation that such discussions be planned and implemented as soon as possible.

B. Arab pricing of oil

The second major area of our discussions revolved around the dynamic changes which have been occurring in the posted prices of oil. In the beginning I pointed out that, in the quest for stability of currencies and a dampening of inflation, the Arabs must accept and appreciate that the pricing of oil in itself has a very dynamic and primary effect and that, without some reasonable discipline on the part of the oil producing countries, the best laid plans of the advanced countries would be difficult to make and impossible to implement. I found the Kuwaiti attitude on pricing of oil to revolve around the following economic facts:

(1) they see their pricing of their oil as a method of equalizing our increases for the commodities which they must import;

(2) they see their pricing as an operating factor in moderating the demand for oil in the advanced countries;

(3) they see the pricing of oil as reflecting reasonably the existing competition in the cost of alternative sources of energy.

I agree with them in the first two points, but, as to the third component, I suggested that they exercise a self-imposed restraint and discipline in the light of empirical evidence.

My point was that for the next five years at least, there are no viable alternatives to the dominance of oil and, therefore, any competitive comparisons relative to alternative sources was not realistic. I also emphasized that this was fairly clear to most people and that, absent their own acceptance of a demanding discipline in this period, world attitudes and world tension might very well run in parallel with the effective presence or absence of such discipline.

I recall that Director Farraj, the economic advisor to Mr. Atiqi, Minister of Finance and Oil, made the point that his country was prepared to be reasonable about the economic requirements of other nations in the world so long as that response did not create unreasonable burdens upon the present and future economy of his own country.

I gained the impression that most responsible Kuwaitis feel that the present price of oil is pushing against a ceiling of tolerance and, even though at this January period they were announcing an oil auction, they were not expecting a substantial increase over the level that was then predominating. However, I must report that, on the whole, pricing in the future will still reflect the Kuwaiti reaction to increased prices in commodities they require and that such pricing will be used as a brake for production where either the demand for extracting oil is set at too great a pace or where it places a strain upon their ability to manage the incoming funds.

Finally, they will be impressed by the presence or absence of their confidence in the currency assets transfer which will be required.

C. Kuwaiti plan for the use of new reserves

The persons with whom I spoke indicated the Kuwaitis see three principle priorities for the Arab oil producing countries:

First, the use of newly generated net funds for development in the producing Arab countries. By that they are referring to infrastructure improvements, including housing and a plan for a petrochemical industrial complex with a vertical expansion for oil related industry.

Regardless of these plans Kuwait, as is true for other oil producing countries, has a very limited ability to absorb capital at a very high rate. This is obvious when one reflects upon the size of the country and the nature of its population. The manpower forces in the Arab oil producing countries is limited in its trained capacity and, therefore, is very unlikely to match the volume of their funds. There is, of course, a limited spectrum of reasonable areas of development, so that one could question the total economic viability.

It should be noted that, particularly in Kuwait, these plans bump up against the evolving culture. First, there is a very restrictive attitude relative to qualification for Kuwaiti citizenship. Second, there is a high paying welfare program for this selective population. Third, there is no willingness on the part of the true Kuwaiti to be involved in either labor or technical manpower activities. They prefer to remain in either the very lucrative welfare posture or to move into a position of excutive for which they are singularly not qualified. I would predict some disjunction of timing between the growth of capital reserves and effective plans for in-country development.

The second priority use for capital was suggested in the application for new funds in projects for non-oil producing Arab neighbors. The Kuwaitis demonstrated an expectation that they would play a primary role in the establishment and management of a new fund institution that would direct the use of these reserves.

They expect, and I believe rightly so, that there are greater needs and more interesting opportunities in supervising and participating in developments in the non-oil producing Arab states, such as Egypt, Sudan, and Syria. Long-range profits are judged to be more predictable. However, here the problems lie in the whole spectrum of challenges for any one who becomes involved in developmental activities.

There is a range of experience and expertise which is noticeably absent in the oil producing Arab countries. It is only now, following some 20 years of experience, that the World Bank and other international banking and investment institutions are developing more effective processing for projects and controls of programs for implementation.

The third use of new money would be a separate fund established for investment and loan to underdeveloped countries, particularly in Africa, but not to exclude other underdeveloped countries who are oil users in other parts of the world.

Again, the Kuwaitis see themselves as being leaders in the establishment and control of this fund. Here, I would reemphasize the point raised as to their second primary use of capital. Even more so in underdeveloped countries is there a challenge in terms of the quality of projects, the assurance of the necessary ingredients for success, and the demand for attentiveness to the implementation of the project. There has to be an available input of technology and technicians, both of which are singularly lacking in underdeveloped countries. None of this is available in the oil producing Arab nations.

On the whole in the area of investment, particularly outside producing countries in the Middle East, the Kuwaitis see their country taking a role substantially larger than their size and their production might suggest. They make this claim on the basis of their superior sophistication and their already developing experience and expertise in finance.

My observation that David Rockefeller came into Kuwait City as I left and the acknowledgement that both the Morgan Guaranty Bank and the National City Bank were then in Kuwait involved in substantial discussions about branch banking and, finally, taking into account the fact that my own State of California's Bank of America had just entered into a joint venture in Kuwait made me believe that there was some creditability in this particular stance.

More important, any reasonable realization of the plans Kuwaitis envision can only come about with the cooperation of the advanced countries who are the largest oil users. From the American position, these countries need U.S. technology, U.S. administrative capabilities, U.S. materials, U.S. machinery and equipment.

It's obvious, of course, that these commodities can also be acquired from countries such as Japan, Germany, France, Netherlands, etc. It suggests that we need to develop an aggressive competitive attitude so that we can recycle a substantial amount of the dollars which will be involved in the purchase of oil. Whether these plans are addressed to in-country development, Arab neighbor development or underdeveloped nation development, the training aspects of technology transfer, some of the materials, and a good deal of the equipment and machinery are all involved.

It would seem that in the enthusiastic presentation of these three priorities, the Arab oil producing countries do not see the recycling of their dollars in the purchase of U.S. or other western stocks or investments in industrial activity as such.

Although some of these would probably occur, it is my firm conclusion that, because of the time lag that is absolutely forced upon these plans because of the lack of preparation and planning and the potential for performance, a considerable amount of the reserves created in this and in the next two years will have to be recycled in some kind of short-term investments in banks and papers such as federal bills.

These are going to be the periods of greatest threat and will require the most care. I am willing to predict that there will be some very unfortunate and in some instances very rewarding uses to which some of this money will be put. To avoid unfortunate uses, I again reiterate my urgings that responsible persons in monetary and fiscal affairs in the Western world initiate discussions and conferences relative to the basic problems involved to help understand and appreciate Arab attitudes and Arab points of reference and to get them to understand and appreciate the perimeters and limitations of the monetary and economic systems that we have evolved.

ACTIVIST GROUPS AND THE FEDERAL JUDICIAL SYSTEM

HON. WILLIAM H. HUDNUT III

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. HUDNUT. Mr. Speaker, I am not the first to raise my voice to suggest that

the Judiciary Committee should take under consideration the proposal to establish a permanent federally subsidized Legal Services Corporation. Traditionally, that is to say, for the past couple years, which is as long as we have had to worry about such Federal legislation, the antipoverty subcommittees have handled this. The rationale for that is twofold: first, the legal services program is an offshoot of the Office of Economic Opportunity, the professional antipoverty agency; and second, the program is supposed to be geared toward the everyday, bread and butter needs of poor folks.

I submit, Mr. Speaker, that, regardless of the origin of this program, the last couple years have demonstrated that the interest taken by legal services attorneys, and legal services activists, focuses on the judicial process and the governmental process, and the reform of society, far more than it focuses on what Indiana's distinguished Attorney General Sendak calls the "bread and butter matters" of the poor. And because of this shift in attention, and interest, the legal profession should take an interest in what the legal services faction of it is bringing to pass upon the whole body of the profession.

In a recent broadcast of the Manion Forum, the radio interview program of Dean Clarence Manion of Notre Dame Law School, with Attorney General Sendak, the implication of legal services-type activities for the legal profession is discussed in some detail. The subtitle given this broadcast is "Activist Groups Goad Federal Judges Into Legislative and Administrative Areas." That title is highly appropriate, because that is exactly what is happening.

By way of evidence, I refer you to the northern district of Alabama, where a Federal judge has himself taken jurisdiction over all the mental institutions in the whole State. He meets daily with the hospital workers, such is the extent of his jurisdiction. A year or so ago, he issued a court order—mind you, a court order with the authority of the Federal Government behind him—ordering the State of Alabama to hire 300 psychiatrists. This is similar to an order commanding the Sun to shine. There are not 300 psychiatrists in the whole State of Alabama—a fact he should have known before trying to litigate the impossible. I add that the suit that prompted all this was brought first by legal services attorneys.

Mr. Speaker, I would like to submit for the RECORD a copy of Manion Forum broadcast No. 1011. It is simultaneously a perceptive examination of the impact of free legal services projects on the legal profession and a tribute to the attorney general of the fine State of Indiana. Once again, I urge that the Judiciary Committee members take an interest in this piece of legislation, if only to examine it with a mind to gaging its future impact on the judicial system of our Nation.

The Manion Forum broadcast No. 1011 *follows:*

OUT OF BALANCE: ACTIVIST GROUPS GOAD FEDERAL JUDGES INTO LEGISLATIVE AND ADMINISTRATIVE AREAS

(By Theodore L. Sendak)

Dean MANION. At his inauguration as Attorney General of Indiana for his first term in January 1969, Theodore Sendak said this: "If this country is to regain and maintain faith and confidence in its form of government and in its leaders, the first thing we must do is to restore the word 'responsibility' to the working vocabulary of every man and woman and every teen-ager who seeks the rights of manhood and womanhood. This requires holding every individual responsible for his own acts. And if we don't care who gets the credit, we can get that job done."

Now well into his second year of his second term of office, General Sendak is still holding consistently to that vital line of his personal and official duty. He is back here at the Manion Forum now to give us another account of his important stewardship as the top lawyer in the State of Indiana. General Sendak, welcome back to the Manion Forum.

General SENDAK. Thank you very much, Dean Manion, it's a real honor to be here. You've set a pase throughout this country in the field of broadcast journalism which I think is setting a goal for all other radio networks to follow and all the branches of the communications media. I'm delighted to be here.

Dean MANION. General, from the letters I get from all parts of the country, I find that people are more and more troubled and confused about their legal responsibilities. The law seems to have slipped out of the control of the legislature and gone directly into the hands of the judges. Here in Indiana we find judges going into our state prisons and redirecting the control of prisoners, while other judges are telling local school boards where and how to assign and transport the children to various far away schools. Are the judges now "creating" as well as "enforcing" our legal obligations?

General SENDAK. Our system has gotten a little out of balance in that we have a three part system—the legislative, the executive and judiciary—and, I think, in the last few years that the judiciary has become the top branch of the government in terms of power and authority, which it has frankly arrogated unto itself.

Dean MANION. Apparently the courts have jumped over the line that separates them from the legislature. How about that?

General SENDAK. Basically, if you go back to our form of government which sets up three branches of government, the legislative branch is to create the laws, the executive branch is to administer the laws, and the courts—the judicial branch—is to try cases that arise under those laws. In the last few years the Federal courts in particular, and followed by some state courts in their train, have decided that they are to legislate. Instead of just deciding cases—controversies under the law—they have stepped in and are invalidating laws.

By the use of so-called equity powers, the Federal courts are carrying jurisdiction to the point where the Federal courts are all three branches of the government in one. Since they are appointed apparently for life, they have no responsiveness to the people. The executive branch and the legislative branch periodically come up before the people for a vote of confidence, in a sense. They are either voted in or out. Not so with the courts.

The Constitution of the United States does not say that a Federal judge shall serve for life. It says they shall be appointed to serve during good behavior. Congress has never defined good behavior. It seems to me that the problem could be brought back into focus if the Congress would do its job of defining the jurisdiction of the Federal courts. Another angle of approach would also possibly be by constitutional amendment to provide for the reconfirmation of Federal judges every eight or twelve years, say, by the same committees of the Senate that confirms them in the first place.

Dean MANION. Here in Indiana, under our State Constitution, we have a full complement of state judges for all courts—local, appellate and Supreme. These state courts would seem to be the proper tribunals, at least for the original adjudication of state laws. Now, however, these state courts are being ignored and all really important cases are brought directly in the Federal courts. Who or what is responsible for this sudden switch?

General SENDAK. That element of the legal profession supported in part by foundations, and part by Federal funds, and in part by people who perhaps have good intentions but who are impatient, people who cannot succeed in convincing legislatures and the Congress to pass laws. Supported by that element, these people then take their cases into the Federal court. Such outfits as the Civil Liberties Union, the LSO—Legal Services Organizations—are set up under the law to give legal aid to the poor. The Legal Services Organization are supposed to help the poor with their bread and butter matters, like helping them with their contracts and their leases and with their divorce and family problems. But instead of that, they are spending most of their time going into the courts, state and Federal, primarily Federal, because they get a better reception there apparently, and attacking the institutions of government.

They have brought cases against the correctional institutions, against the mental institutions, against the welfare department, against the state police—you name them, and in every State of the Union. It is a nationwide conspiracy, in effect. They try to paralyze the government, knowing that they cannot succeed in getting a majority of the people of the United States to support them by popular vote; knowing they cannot succeed in getting any state legislature or the Congress to support them by legislation under our form of government. They don't believe in the representative form of government, obviously, so they are trying to get legislation enacted through the courts in the manner I have described.

Dean MANION. General, I know that you are involved in some litigation as a result of these suits by these legal activists and that you can't speak specifically on the status of them. But could you just touch on some of the specific issues that are now being tested? Issues that you feel run contrary to the majority opinion of most people in this state. Such things perhaps as abortion or capital punishment or regulation of the prisons or the infamous Communist case?

ACLU SPENDS MILLION

General SENDAK. The American Civil Liberties Union takes credit in its official reports every year—I've just read their last year's report—for funding and fighting for many such causes as Communism and abortion. They take credit for having provided legal counsel and expenses for fighting the Furman case, which decided against capital punishment in the Supreme Court of the United States, for carrying on abortion cases, and a whole train of those. In fact, Ramsey Clark, as you may know, is the National Chairman, and has been for several years, of the American Civil Liberties Union, and it claims such other stellar lights among its board of trustees as William Kuntsler and other activists who are dedicated to fighting

the operations of a freely representative government.

They spent, they say, 5½ million dollars in 1972–73 in this litigation. They employ 260 people full-time, many of them lawyers, and they have been litigating something like 4,700 cases each year in the last couple of years. As I mentioned, they sue these institutions. They try to get—and succeed in getting—Federal judges to move into the area of administration and into the area of legislation.

For example, one Federal judge in the northern district of Alabama has taken complete jurisdiction over all the mental institutions in the State of Alabama. He is doing so much in this that he doesn't have time to try his other cases. The cry is out for more judges. He even sits down every day and decides the working conditions of the doctors and the nurses and decides who will handle so many bed pans a day and all that sort of thing. He sets their wage rates, and he even issued an order a year or two ago, under the continuing jurisdiction which he accepted in the case, to the State of Alabama to hire 300 psychiatrists for the mental institutions. But it so happens that there are not 300 psychiatrists in the entire State of Alabama.

This is how unrealistic some of these people are. But what a burden it places on the American people who are paying for both sides of it. They are paying through the Federally funded programs to fight the government, and then they are paying our salaries and the salaries of all other government lawyers to defend the government, and then they are losing many of these cases to boot.

Dean MANION. And may I add General, that the Civil Liberties Union pays its litigation expenses for these destructive lawsuits with tax-exempt donations, if you please. But they piously maintain that they are representing the poor and the oppressed. How true is that?

General SENDAK. Well, this is what they say. Every one of these federally funded programs in that area, or these foundation funded programs, starts out with high ideals and it's always in the name of poverty. I'm reminded of that saying of several hundred years ago at the time of the French Revolution, "What crimes are committed in the name of liberty." I'm paraphrasing a little, and now, "What crimes are committed in the name of poverty and aid to poverty."

One of the areas in which they have entered is the area of busing to enforce racial quotas in the schools. They obviously give no real consideration, although they appear to think they do, to the quality of the schools, the quality of the education, to the convenience of the students, to the convenience of their families, to such things as daylight hours and darkness hours and convenience for other activities or for illness of the pupil.

They have gone so far off the beam that they are really in an act of reaction or retrogression. They have gone back to the theories of medieval days, the Middle Ages when the quota system was imposed through the guilds and other agencies to restrict the employment and the rights and freedoms of many of minority groups. Generations since that time have striven to do away with that sort of prejudice and intolerance which was exemplified by the use of racial and religious quotas even down to forty years ago in American colleges, when only such and such a percentage of Catholics, Jews, Negroes, Mexicans—you name it, Orientals, etc., could even get into Harvard, Yale or Princeton. This has largely been overcome by men and women of good will, and I think the working majority of the people in the United States feel only good will in their hearts toward all these areas.

Now these activists, a small group of activists but very articulate, have set up a quota system again. They have gone back to what broke out again under Hitler. I regard forced busing for racial quota purposes as being a form of Hitlerism on wheels.

Dean MANION. General, the truth that you have just expressed is being heard now on the air for the first time by thousands of people who are listening to you. The activists, the proponents of abortion, the opponents of capital punishment, the soft-on-criminals people, seem to get all the publicity. How can your side of this critical issue be kept before the great majority of our people who know in their hearts that you are right?

CONTROLLED NEWS

General SENDAK. It's very difficult, Dean Manion, but I feel that we have a form of censorship in this country, a worse form of censorship than any government could ever impose. It's a censorship by a very small group of people in control of the late night shows, the talk shows on TV, and certain critical avenues of communication in this country—Network TV, which most people watch, although they don't necessarily agree with what they see all of the time.

The New York Times has a computer bank which supplies hundreds and hundreds of newspapers throughout the United States very economically with all the news that fits what the New York Times wants them to have. So one or two editors working for the New York Times control the thinking, or at least the reading material, that goes out to hundreds and hundreds of daily newspapers throughout the United States.

Even such a conservative paper as the Chicago Tribune has the New York Times Book Supplement. When I asked one of the editors of the Chicago Tribune, a friend of mine, right after they adopted that book section, why they did that, he said it was a matter of economics. You see how these things are controlled through the Book of the Month Club. Check these different book stand lists and see how often you find a book which is even selling well, like Allen Drury's books, even listed on those lists. But you will find a half-dozen books praising Mao Tse-tung and others. America's enemies always get front page. This is amazing.

So you ask what the American people can do. I think the American people have to become individual propaganda analysts, and we just have to start boycotting. If we don't like some scurvy person on a late night talk show, who seems to have the run of the show, we can always boycott him and his product. I think we need to start fighting fire with fire, all within the law. I don't think we are required to go to a movie featuring Jane Fonda when she is working to undermine this country. I don't want to support people like that. Why do we have to do so if we really believe that these people are enemies of this country? Why support them economically? By the same token, why should we give wheat to Russia or rearm Russia or give them IBM machines so their computers can operate the SAM missiles and shoot our people down? I believe in that emphatically.

Dean MANION. When the British General Cornwallis surrendered his sword at Yorktown to end the Revolutionary War, his British army band played a tune called "The World Turns Upside Down." We know now that the world did really turn then to a new birth of freedom and representative constitutional government. Could it be now that our world is turning back toward a new form of tyranny?

General SENDAK. We've come into an era, Dean, of topsy-turvy thinking, where people in our generation seem to think we're so much better than all the generations that have gone before. We toss aside the lessons of history, the lessons of Biblical history as well as secular history. We forget that Isaiah said when he spoke along these lines, Isaiah 5:20–24, when he said:

"Woe unto them that call evil good, and good evil; that put darkness for light, and light for darkness; that put bitter for sweet, and sweet for bitter! ... Which justify the wicked for reward, and take away the righteousness of the righteous from him! Therefore as the fire devoureth the stubble, and the flame consumeth the chaff, so their root shall be as rottenness, and their blossom shall go up as dust."

That puts it so much better than I could put it. The topsy-turvy thinking, the lack of realism, the straying from the fundamental differences between right and wrong in every area of life—that puts it very nicely.

Dean MANION. Some of this topsy-turvy thinking that you mention, General, has been taking place on the Supreme Court of the United States. During the last 15 years, in my many important instances, a majority of our Supreme Court Justices have deliberately repudiated the sustained constitutional constructions of their predecessors, going all the way back to Chief Justice Marshall. Judges and many other public officials appear to be contemptuous of history. Nothing turns them on "but the here and now."

General SENDAK. That's right, Dean. Just because I am Attorney General of Indiana in 1974, I don't think I am any smarter than any of my predecessors back to the beginning of the state. I think that any realistic, conscientious judge would have to say that he is no smarter than Chief Justice Marshall or any other predecessors on the United States Supreme Court, and that would go for any other governmental official.

I think American idealism is being put to the test. Maybe America will be stronger after all this age of confusion and attacks on our fundamental institutions. I think we have to take counsel of our strength and our ideals and our accomplishments. America is still the goal of people all over the world. People want to come here. They don't want to leave here. We have got to lift up our hearts and our minds accordingly.

I think that free and responsible citizens today in this country and in this state have the greatest opportunity and the greatest challenge in our history. We must not miss that opportunity or even think of letting that challenge go by default. Certainly we don't want it to go by default to those who are not free and not responsible citizens. We've just got to restore majority rule in this country and restore our representative free democracy in place of a propaganda control.

Dean MANION. Thank you, Theodore Sendak, Attorney General for the State of Indiana.

I told you at the outset, my friends, that when he first took office five years ago this extraordinary public servant promised to make "personal responsibility" the hallmark of his administration of Indiana's top law office. His responses today show that he has hewed to that line with complete candor and exemplary courage. In the great field of American law, he is determined not to let freedom and its always attached personal responsibility go by default. Let's all help him win this case. Send the script of this interview to your own Attorney General and ask for his help on this big lawsuit.

WHERE THERE IS NO VISION

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. CONTE. Mr. Speaker, as an avid amateur photographer, I was tremendously impressed by a presentation of

some of the most beautiful and spectacular pictures taken in the U.S. space program, starting with Gemini in May of 1961 to Apollo 17 in December 1972, at a dinner I attended in Washington, D.C. at which the Eastman Kodak Co. honored the National Aeronautics and Space Administration for notable achievements in exploring outer space.

I would like to share with my colleagues the statement of the Kodak Co.'s president, Mr. Walter Fallon, commending that Agency for their achievements in enlarging man's understanding of himself and his world through exploration and photography from outer space. The text of Mr. Fallon's statement, "Where There Is No Vision," honoring NASA follows:

WHERE THERE IS NO VISION

(By Walter A. Fallon)

In the Book of Proverbs, Chapter 29, Verse 18, we are told: "Where there is no *vision*, the people perish."

The sense of "perish" here can be either figurative or literal, I suppose. The spirit of a people, their morale, deteriorates where there is no vision calling forth the best that is within their capabilities at any given time. Or the perishing could be real and earnest for people who don't know where they are going in a world operating on physical laws that don't amend very easily.

Different times, of course, require different visions. Probably the dominant vision of our times—the one most reproduced anyway—is the image of planet Earth as a fragile ball floating against a black sky. And for that image we have to thank the people of NASA, and the other cooperating agencies represented here this evening.

It's a further commentary on our times that we almost take it for granted that Rusty Schweickart could repeat his experience for us at any time.

Yet man has had the capability to record and display images like this only slightly longer than he has had the capability of powered flight. That is, powered flight with a reasonable expectancy of coming back to the ground safely.

For most of recorded history, the human race has had to depend on the eye-witness word-pictures of the men who had been there. While the word-pictures went on at greater length, many of them did not add up to much more than the single "Wow!" of the astronauts.

The understanding of all men leaps forward when the experience of any one man can be repeated and amplified by means of recorded images. And here I'm referring to images broadly—the visible and invisible spectrum; in electronics as well as photography.

We who make a career working around images of one sort or another like to feel that our own vision is pretty perceptive—particularly in hindsight.

Over the evolution of the recorded image, there are key contributions we would have wanted to call out of the routine events of the day. If we'd been there. If somebody had told us about them. If we had just been smart enough at the time to see them for what they were.

In retrospect, it's amazing how often the real significance of these contributions went unmarked by the general public, by people who should have known better, and sometimes even by the major contributors themselves.

For instance, you know it was Thomas Edison's Kinetoscope that opened the way to the movies, the first genuine mass medium. But, as for Edison, he was convinced that he had come up with a device strictly for viewing by the individual—like the stereopticon. He didn't feel it was even worth spending $150 to get European patent rights.

At the other end of the spectrum, we ought to give a tip of the hat after the fact to the CBS television engineer who tried out instant replay at an Army-Navy game in the early 60's. Out of his experimenting has come mankind's much wider understanding of the critical difference between the slant-in and the zig-out.

And we dare not fail to salute in our survey the first aerial photograph ever taken in this country, back in 1860, elegantly captioned "Boston as the Eagle and the Wild Goose See It." It might be noted that this was the only one of eight exposures taken that came out. So you see how much progress has been made in the technology of the recorded image.

A good share of it was due to the efforts of one man, George Eastman. He has been variously acclaimed for his accomplishments as inventor, business manager, philanthropist, and even marketing innovator.

But there are now those who hold that his greatest single contribution did not lie in any of these. It came in the form of the basic insight that unless picture-taking was separated from the making and processing of the sensitized materials, photography would be strictly for chemists.

And if that were the case, there'd be no reason for our get-together tonight. Of all the excellent chemists that I know, not many would make good astronauts.

It's interesting to note that yesterday was the anniversary of another milestone in the history of the recorded image. Ninety-four years ago, the first reproduction of a newspaper photograph was made, demonstrating a new process called the "halftone." The inventor took it to the leading pubisher of the day, a man famous for his innovations in journalism. But this publisher couldn't see any future in the halftone. So, 17 years went by before halftones were ever run on a power press.

One final example serves to nail down the point that the real meaning of many great achievements often goes unremarked at the time.

Wilhelm Roentgen put an opaque black box around a vacuum tube he was studying. He happened to notice that a fluorscent screen *outside* the box was emitting light also, and he reasoned that the screen was being struck by invisible radiation through the box. He called it the "X"—for the unknown—ray.

The phenomenon was put to work immediately, notably in medical dignosis. And, of course, it has been justly celebrated for that purpose.

Only in retrospect did scientific opinion appreciate that Roentgen's discovery was nothing less than the opening of the era of modern physics. Sir Arthur Eddington summed up this significance with the observation that, before X-ray diffraction, a man could know more about a star than about the table at which he worked.

At Kodak, we happen to think that history will rank the work of the United States space program right up there with the most notable advances in human understanding through the recorded image.

Only we happen to be on the scene of this one.

Furthermore, we think we have some idea of what it can mean in terms of clarifying the vision of the people in this country and the rest of the world in the years ahead.

Van Phillips has already touched on the output of Skylab 3 and its two predecessors.

And with the launching of the *Space Shuttle*—an event that Senator Moss has aptly characterized as "the next logical step in the space age"—man will have a permanent laboratory from which to enlarge on these findings.

From the *Apollo missions* the most dramatic payoff, of course, was the actual samples of the moon's composition, necessarily limited. Of almost equal importance were the electronic and photographic records made there.

The *meteorological satellites* have already recorded and sent back to earth more information about our atmosphere and the complex workings of weather-making systems than all the talk and study since the discovery that the world is round.

The *communication satellites* get publicity mostly during Olympic Games or Royal Weddings. Of much farther-reaching significance is their use for education in the developing countries of Asia, Africa, and Latin America.

But if there had to be one single citation to NASA and its associates for enlarging man's understanding of himself and his world it would certainly have to go to ERTS—the Earth Resources Technology Satellite.

Incidentally, I understand that the Department of Interior employees at the EROS Data Center in Sioux Falls have something they'd like to give a certain Kodak copywriter. An advertisement he put out called the public's attention to the availability of "modestly priced" photographs from ERTS. Overnight, demand for the prints increased in the order of 500 percent.

Our man has asked me to pass the word that he'd just as soon skip what the folks at the Data Center have in mind for him.

The public interest in the ERTS imagery, a particularly promising blending of electronics and photography, reflects the high stakes people everywhere have in this program.

To start with the most obvious example, with the current energy shortage, the ability of ERTS to indicate *petroleum deposits* becomes almost a national resource in itself.

The comprehensive and continuous picture that ERTS gives us of what is happening to our *environment* will improve the basis for decision-making in this area. Probably the most important thing about this information is that it is virtually real-time, making possible action before the damage is irreversibly done.

We can do little about the much-needed planning of *land use* in this country without meaningful data about what the patterns of usage actually are. For the first time we're getting it—in a form that helps make mapping accurate, fast, and economically feasible.

The repetitive nature of the ERTS imagery is indispensable to the effective management of our *life resources:* water, agriculture, forestry, and range.

All in all, it can be said that ERTS is doing more than any other instrument man has ever devised to replace hunch, guesswork, and folklore about the world we live in with the hard facts needed for survival. Just last week it was reported that one of the causes of famine in the Southern Sahara was the underestimating of the population that had to be fed by more than 50 percent.

Here was a case in which the people literally did perish for want of an adequate vision.

Through ERTS and the other related programs administered by NASA, mankind is getting a place to stand for acquiring such a vision.

So, Dr. Low, if you will just come up and stand over here we would like to present you with a small expression of our awareness. When history looks back, we'd like to have it to say: "For once, somebody who should have known better actually did."

FREEDOM OF SPEECH TAKES PRECEDENT OVER HIGHWAY BEAUTIFICATION

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. RARICK. Mr. Speaker, a Virginia circuit court judge ruled last week that freedom of speech takes priority over Federal antibillboard legislation. The ruling came in a case in which State highway authorities removed a sign which had been erected on private property, claiming that it violated an antibillboard law and had evoked some complaints.

The 25-square-foot sign was clearly an expression of personal opinion. The message contained on the roadsign was: "Get US Out! of the United Nations." It is an opinion, I might add, that is held by an increasing number of Americans today. My bill H.R. 1414 would do exactly what the sign suggests.

The judge in the case, Judge Percy Thornton, Jr., ruled that the message "is an expression of personal opinion and does not constitute an advertisement or sign" under State highway regulations. The State regulations, incidentally, were passed to accommodate Federal statutes which allow a State to collect an additional 10 percent in Federal highway money if it enforces the "highway beautification" law. Apparently, some State officials are willing to sacrifice the freedoms of their local citizens, that is, freedom of speech and the rights of private property, for a Federal handout.

It is most appropriate that this case was decided in Virginia, the birthplace of George Washington, Patrick Henry, Thomas Jefferson and so many other great Americans who fought to establish the Bill of Rights.

It is to Judge Thornton's credit that he places constitutionally-secured rights above congressionally passed Federal statutes. Unfortunately, in this age of increasing Federal usurpation of individual rights, many Americans are beginning to believe that acts of Congress can supersede basic rights.

I ask that the related newsclipping follow:

[From the Washington Post, Apr. 5, 1974]

ANTI-U.N. SENTIMENT: REMOVAL OF BILLBOARD ILLEGAL, COURT RULES

(By Ronald Taylor)

A Fairfax County Circuit Court judge has ruled that the Virginia Highway Department may not legally remove a roadside sign saying "Get US Out! of the United Nations" from the property of a Fairfax man and his sister.

The ruling, issued Wednesday by Judge Percy Thornton Jr., established that the 25-square-foot sign facing east-bound traffic on Route 29-211 between Fairlee and Nutley Streets is not an advertisement as defined in State Highway Department regulations.

The ruling was on a suit filed by Mary Lou Curtis and her brother Walton C. Thompson who lives on the 58-acre family property. They contended that the removal of the sign by state highway authorities violated their constitutional right of free speech.

During a court hearing on the matter, highway officials argued that the sign's presence could threaten their funding through a federal antibillboard project.

Thornton ruled, however, that the message "is an expression of personal opinion and does not constitute an advertisement or sign" under state highway regulations.

Mrs. Curtis said she erected the sign last year and that the message represents a long-held position to her. "There was no special event that made me do it," she said, "The sign became available and I finally got around to putting it up."

Following citizens' complaints and citing an antibillboard law, state highway authorities removed the sign last July.

The state receives an additional 10 per cent in highway funds if it enforces a federal antibillboard law.

Assistant Attorney General David T. Walker, who represented the state in the case, said that a decision has not yet been made on whether to appeal the ruling.

LITTON IN TROUBLE

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. ASPIN. Mr. Speaker, the cost of the Navy's 30 ship DD–963 destroyer could rise as much as $500 million, if all the electronic and special weapons originally planned by the Navy are installed, according to unclassified portions of a GAO report which I am publicly releasing today.

GAO reports in its annual staff study that "we believe that the cost of these subsystems are essentially acquisition costs and, as such, should be reported on the Selected Acquisition Report"—the Pentagon's quarterly report to Congress on major weapons systems.

Mr. Speaker, the GAO report also contains the most detailed analysis available to date on technical and labor problems affecting the Litton Industries new shipyard in Pascagoula, Miss. The GAO outlines various indicators of success of its shipyard construction schedule and concludes "all of these indicators show delinquencies in the actual work performed in relation to current plans."

Mr. Speaker, I believe that this report is new and damaging evidence that serious problems continue to plague the shipyard. We are heading down the same dangerous road of huge cost increases and lengthy delays that have characterized Litton's earlier efforts at shipbuilding in Pascagoula. As many of my colleagues may know the five ship LHA program is now behind schedule by several years and the cost per ship has risen from $153.4 million per ship to $228.2 million per ship.

Mr. Speaker, I am calling upon the Navy today to cancel a sizable number of the 30 DD–963 destroyers.

Careful reading of the GAO's analysis discloses that Litton is trying to build too many ships at one time. The shipyard is crowded, undermanned, and completely fouled up—the shipyard workload must be reduced. The only way to do that is to reduce the number of destroyers to be built. Otherwise, the costs of each ship will skyrocket upward as delays mount.

The GAO reported that if foulups inside the shipyard are not resolved it will cause eventual slippage in delivery schedule and increases in contract costs.

In fact, Mr. Speaker, the Navy concedes in its latest report to Congress that some of the destroyers may be up to 5 months late.

Congress has already approved funds for the ships and the Navy is seeking an additional $463.5 million for the final seven ships in this year's Defense Department's budget. I believe, Mr. Speaker, that at least the last seven ships should be canceled and possibly more. It is interesting to note that the cancellation of the last seven ships would only involve a fee of $152,000 which is much less than the probable cost overruns.

The potential $500 million overrun is based upon estimates of the cost of so-called electronic warfare equipment, a decoy system, special sonar, new helicopters, missile and guns which are not included in the current Navy estimate. These various weapons are listed as "space and weight"—systems that were originally planned for inclusion on the ship but are not in the Navy's budget.

Mr. Speaker, I also believe that the Navy is hoping to cover up these cost overruns by paying for the increased costs from outside regular shipbuilding funds. Eleven months after a ship is delivered to the Navy any additional costs including the installation of new weapons are paid from appropriations other than shipbuilding. After these ships are delivered the needed weapons will be added but not counted as part of the cost of the ships. Frankly, Mr. Speaker, the Navy's action is a cheap trick designed to deceive Congress.

At another point in the report the GAO said that certain parts of the ships, which are theoretically built in large modules, are being completed out of sequence which makes the orderly construction of the ships impossible in Litton's so-called mass production shipyard. In fact, in the case of assembly work the situation has become worse in the past year.

Mr. Speaker, there is now no question that unless we cut the number of DD–963's we are headed for full-scale disaster on this program.

NO AMNESTY WITHOUT EQUITY

HON. LAWRENCE J. HOGAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. HOGAN. Mr. Speaker, on March 10, the House Judiciary's Subcommittee on Courts, Civil Liberties, and the Administration of Justice held hearings on the question of granting amnesty to those who evaded the draft during the Vietnam war.

This question has aroused a great deal of controversy and I would like to insert in the RECORD at this point an editorial by

Mr. Smith Hempstone which expresses the views of the majority of the American people:

[From the Washington Star-News, Mar. 20, 1974]

NO AMNESTY WITHOUT EQUITY

(By Smith Hempstone)

In North Vietnam last week, the United States was dickering for the return of the mortal remains of the last 11 American prisoners of war known to have died under the rigors of Communist captivity. At the same time, half a world away, in obscene juxtaposition, a House subcommittee chaired by Rep. Robert W. Kastenmeier, D-Wis., was holding hearings on amnesty for those who refused to serve in that war.

The arguments of the pro-amnesty lobby remain basically what they have always been: The Vietnam War was an unjust war, hence those who deserted or dodged the draft were justified in so doing; the artful dodgers' self-exile has been punishment enough; amnesty has always been granted after a war and one is needed now to heal society's wounds. To all of which one can only reply: Horse-feathers!

The notion that the thousands who deserted or refused to serve were somehow endowed with a higher morality than the millions who disrupted their lives, obeyed their country's call and risked maiming or death is both impertinent and illogical.

All wars embody a measure of injustice. But the state has a right to insist on the obligation of its citizens to serve it, and no man has the privilege of picking his war. Clearly an individual has the right to refuse to take human life, but there are plenty of stretchers to be carried on the battlefield by those of such sensitivity.

It is even possible to admire those who on principle chose jail or alternative service to donning a uniform. But the gorge rises at the suggestion that men who spent the war comfortably living off remittances from Mom and Pop in Toronto coffee houses are the cream of their generation. It simply isn't so.

As for the argument that the gun-shy streakers have suffered enough by their separation from their native land, their exile was of their own choosing. The penalty does not begin to match that paid in blood by some of those who had to go in their stead. One can only hope, for their sake and for their adopted country, that they make better Canadians than they did Americans.

Although the revisionist historians of the left would have us believe amnesty has followed every American war, this is not the case. There has *never* been a general, unconditional amnesty—which is what the white-feather gang is demanding—after *any* American war.

After World War II, President Truman pardoned slightly less than 10 percent of 15,805 draft dodgers. After the Korean War, scarcely a popular conflict, there was amnesty for neither deserters nor draft-dodgers.

The main point is that the militant evaders are less interested in forgiveness than in vindication. They want America to accept their image of themselves and their version of history, and this no self-respecting nation can grant.

This is not to say that society should be harsh or unforgiving. The case can certainly be made that an immature and perhaps low IQ teen-aged draft-dodger from a home in which obligations to one's country were not stressed is less culpable than the middle-aged radical chic professor, chaplain or polemicist who, knowing the penalty, urged him to switch rather than fight.

So as Sen. Robert Taft Jr., R-Ohio, and former Secretary of the Army Robert F. Froehlke have suggested to the Kastenmeier subcommittee, some form of conditional amnesty, on a case-by-case basis and contingent upon alternative service, would not dishonor the dead or split the country.

Case-by-case treatment by amnesty review boards such as those set up after World War II would be a slow process. But the offense, against their country and their peers, of which the draft-dodgers and deserters stand accused, is a grave one.

They and those who urged them to turn their backs on their country have to understand that America is big enough to give its repentant sons a second chance. But not so craven or misguided as to vindicate them, to say that they were right and those other, braver sons who fought and died were wrong.

THE DEBATE OVER DIEGO GARCIA

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. BINGHAM. Mr. Speaker, the debate and vote last week in the House on the question of a base on Diego Garcia did not settle the question. It remains to be seen, not only what the Senate and the conference committee will do, but also what the Government of the United Kingdom will do, since no agreement for the expansion has been entered into.

Last Thursday, April 4, the Wall Street Journal carried an article by Richard J. Levine which in my view fairly summarizes the arguments for and against the Diego Garcia base. Perhaps I am prejudiced, but it seems to me that the negative arguments greatly outweigh the positive ones.

The article follows:

THE DEBATE OVER DIEGO GARCIA

(By Richard J. Levine)

WASHINGTON.—Diego Garcia is a tiny coral island in the middle of the Indian Ocean, lying a thousand miles off the southern tip of India and halfway around the world from Washington.

Isolated and uninspiring, the small hunk of British real estate would seem an unlikely candidate for attention in this crisis-oriented capital.

But a Pentagon plan to build a naval support base on Diego Garcia—unveiled in the aftermath of the Middle East war and the Arab oil embargo—has begun to generate a lively though limited foreign policy-national security debate here. Nixon administration officials see the proposed base as a logical and effective means of protecting America's interests in that part of the world, offsetting growing Soviet naval power. But some in Congress fear the base could lead to a U.S.-Soviet naval race in the Indian Ocean, an area that has been largely spared superpower rivalry, and eventually add billions of dollars to Navy shipbuilding budgets without enhancing U.S. security.

While U.S. Senators call for Washington-Moscow talks on naval limitations in the Indian Ocean, many of America's friends and foes denounce the Diego Garcia plan. In the end, the debate could provide important clues to how serious Congress is about playing a larger, more forceful role in foreign policy as America emerges from its painful decade in Vietnam.

"From our experience in Indochina, we know too well the cost of early, easy congressional and State Department acquiescence to Pentagon demands," says Sen. Claiborne Pell (D., R.I.), a leading opponent of the base plan. "We must profit from our past errors. Our handling of this authorization request for Diego Garcia offers such an opportunity."

NARROW ISSUES

Unfortunately, much of the debate thus far has focused on such relatively narrow issues as the comparative number of U.S. and Soviet "ship days" in the Indian Ocean and the length of the runway on the island. Often lost in the din of detail are the basic questions raised by the Pentagon plan—whether the U.S. should be involved in the project at all; whether, or how, U.S. interests are served by increasing the Navy's still limited presence in this far-off ocean; whether, as one former Pentagon planner put it, "we would be willing to let events take their course around the rim of the Indian Ocean."

Specifically, the Defense Department is asking Congress for $32.3 million to expand an existing communications station on Diego Garcia into a base capable of refueling and restocking U.S. warships, including aircraft carriers, operating in the Indian Ocean. The base would be manned by about 600 men and would enable the Navy to increase its Indian Ocean deployments—either routinely or in a crisis—without weakening its forces in the Western Pacific.

Yesterday the Senate Armed Services Committee postponed "without prejudice" a request for $29 million for Diego Garcia construction contained in a supplemental budget bill for the Pentagon—a setback that is likely to be challenged by administration supporters in the full Senate. And today the House is scheduled to vote on a proposal to delete the same $29 million from a companion measure.

To justify the U.S. buildup, the Nixon administration has stressed the expanding operations of the Soviet Navy in the Indian Ocean (which Navy men expect to accelerate with the reopening of the Suez Canal) and the increasing reliance of the U.S. on Persian Gulf oil that must be transported across the Indian Ocean. "Our military presence in the Indian Ocean provides tangible evidence of our concern for security and stability in a region where significant U.S. interests are located," declares James Noyes, Deputy Defense Secretary for Near Eastern, African and South Asian Affairs.

By Pentagon standards, the Diego Garcia request is a mere pittance, less than one-third the price of a modern destroyer. Moreover, Defense Department and State Department officials have sought to downplay the potential long-range significance of the naval base by referring repeatedly to their plans for a "*modest* support facility."

Still, a number of lawmakers and outside experts remain uneasy, fearful that congressional approval of the construction money could prove a fateful step down an unmarked road toward yet another expensive and, conceivably, dangerous security commitment. Adding to their concern is the small-step-by-small-step pattern of U.S. involvement in the Indian Ocean: first a few warships; next a communications station; then a support base. Where, they worry, is it leading?

Despite administration assertions to the contrary, U.S. interest in the Indian Ocean has been rather limited until recently. Only three years ago, Ronald Spiers, then director of the State Department's Bureau of Politico-Military Affairs, could tell Congress: "The Indian Ocean area, unlike Europe and Asia, is one which has been only on the margins of U.S. attention. Never considered of great importance to the central balance of power, it has been on the edges of great-power rivalry."

Since 1948, the U.S. presence in this part of the world has consisted mainly of the Middle East force—a flagship based in the Sheikdom of Bahrain and two destroyers that make periodic port calls. That such a modest force was considered adequate testifies to the low strategic importance Washington attached to the world's third largest ocean.

U.S. interest began building in the early 1960s. One result was the British Indian Ocean territory agreement between the United Kingdom and the U.S. in 1966, under which Washington acquired the basic right to build military facilities on Diego Garcia. Washington's interest quickened in 1968, with the British announcement of plans to withdraw military forces east of Suez and the appearance of the first Soviet warships. Since then, the Soviets have steadily increased their naval forces, and current navy estimates give them a four-to-one advantage over the U.S. in the Indian Ocean.

Soviet ships have also gained increasing access to port facilities. For example, Russian vessels currently use the expanded Iraqi port of Umm Qasr and the former British base at Aden; meanwhile, the Soviets are expanding their naval facilities at the Somali port of Berbera. "The Soviets possess a support system in the (Indian Ocean) area that is substantially more extensive than that of the U.S.," asserts Adm. Elmo Zumwalt, Chief of Naval Operations.

As the Soviet presence increased, the U.S. responded by sending carrier task forces into the Indian Ocean twice in 1971, in April and again in December, during the Indo-Pakistan war. Last October, a few months after the Diego Garcia communications station opened and as the Mideast ceasefire was taking effect, the Defense Department unexpectedly moved a task force headed by the carrier Hancock into the Indian Ocean.

On Nov. 30, Defense Secretary James Schlesinger, disclosing that the Hancock would be replaced by the Oriskany, announced that in the future the Navy would establish a "pattern of regular visits into the Indian Ocean and we expect that our presence there will be more frequent and more regular than in the past." Since then, major U.S. vessels have been in the ocean without letup.

Why? Administration officials offer a variety of explanations—to counterbalance Soviet "influence" on states around the Indian Ocean; to maintain "continued access" to vital Mideast oil supplies; to insure freedom of the seas; simply to demonstrate our "interest" in that area of the world.

The State Department emphasizes the diplomatic value of the Navy. "A military presence can support effective diplomacy without its ever having to be used," says Seymour Weiss, director of State's politico-military affairs bureau. Privately Pentagon officials, not surprisingly, place greater weight on the military value of warships in the Indian Ocean. The increasing U.S. Navy operations, a Navy man says, are needed "to show we are a credible military power in that part of the world."

But critics of the Diego Garcia proposal are troubled by these explanations, which, they believe, raise more questions than they answer.

GUNBOAT DIPLOMACY

Some critics wonder whether the presence of larger numbers of U.S. warships in the Indian Ocean will, as Naval Chief Zumwalt claims, help preserve "regimes that are friendly to the U.S." in the area. "Gunboat diplomacy doesn't really seem to work" in this age, argues a government analyst. Internal problems and economic assistance, he believes, have a much greater bearing on the political course followed by foreign governments. What is clear is that several states in the area—including Australia, New Zealand, India, Madagascar and Sri Lanka (Ceylon)—have publicly opposed the Diego Garcia support base, arguing that the Indian Ocean should be a "zone of peace."

Furthermore, there are some military experts who doubt that Soviet ships in the Indian Ocean pose a serious threat to Western tankers carrying precious Arab oil. In the opinion of Gene La Rocque, a retired rear admiral who often criticizes Pentagon policies, an attack on, or interference with, such shipping "doesn't appear to be a plausible action on the part of the Soviet Union when one takes into account such important factors as relative military power, time and distance and the alternative means of exerting influence and power at the disposal of the Soviet Union."

Other military analysts have argued that it is highly improbable the Soviets would attack Western ships since such a hostile act would likely trigger the outbreak of a major war between the superpowers. Geoffrey Jukes, an Australian analyst has written: "It is difficult to envisage a situation, short of world nuclear war, in which the Soviet government would be prepared to place the bulk of its merchant fleet at risk by engaging to 'interfere' with Western shipping in the Indian or any other ocean."

Much more likely, critics of the Diego Garcia plan stress, is a repetition of the recent Arab oil embargo, a political act designed to achieve political aims. It is argued that the presence of sizable naval forces can, at best, have only a minimal impact in such a situation.

Finally, there is the unsettling prospect that a base at Diego Garcia, coupled with increased naval deployments in the Indian Ocean, will provide the Navy in years to come with new rationales for an "Indian Ocean fleet" and ever-bigger shipbuilding budgets, especially for carriers and escorts. The Navy, a Pentagon insider notes, "has been panting on the edges of the opportunity" represented by enlarged Indian Ocean commitments.

A CALL FOR NEGOTIATIONS

To prevent a costly U.S.-Soviet naval race, which might not enhance either nation's security, Sen. Pell and Sen. Edward Kennedy (D., Mass.) have jointly introduced a resolution calling for negotiations between the superpowers on limiting naval facilities and warships in the Indian Ocean.

As in the past, the U.S. remains reluctant to agree in writing to any restrictions on its use of the high seas. Moreover, U.S. officials say efforts to follow up a Soviet hint in 1971 of interest in naval limitation talks failed to produce a response from the Kremlin.

Still, in view of the potential long-range costs and dangers involved in an expanded naval presence in the Indian Ocean, it would seem worthwhile to pursue the matter further. For, as Sen. Kennedy has said, "It may in time prove necessary and desirable for the U.S. to compete with the Soviet Union in military and naval force in this distant part of the globe. But before that happens we owe it to ourselves, as well as to all the people of the region, to try preventing yet another arms race."

HOUSE OF REPRESENTATIVES—*Tuesday, April 9, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Obey my voice, saith the Lord, and I will be your God and you shall be my people; and walk in all the ways that I command you, that it may be well with you.—Jeremiah 7:23.

Eternal Father of our spirits, we have been elected by the people of our districts and called to lead our Nation in this House of Representatives. May we serve to the best of our abilities. Some of us are beginning to realize that we cannot be the best that we can be nor can we do the best that we can do without Thee. We pray now that Thy spirit may come to new life in us that we may learn to live and to lead our Nation in right paths and along good ways. Help us to work together for peace in our world, for justice among our people, and for good will in the hearts of all.

"We would live ever in the light,
We would work ever for the right,
We would serve Thee with all our might,
Therefore, to Thee we come."

Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 6574. An act to amend title 38, United States Code, to encourage persons to join and remain in the Reserves and National Guard by providing full-time coverage under servicemen's group life insurance for such members and certain members of the Retired Reserve, and for other purposes; and

H.R. 9293. An act to amend certain laws affecting the Coast Guard.

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 72. Concurrent resolution extending an invitation to the International Olympic Committee to hold the 1980 winter Olympic games at Lake Placid, N.Y., in the United States, and pledging the cooperation and support of the Congress of the United States.

APPOINTMENT AS MEMBERS OF NATIONAL COMMISSION FOR THE REVIEW OF FEDERAL AND STATE LAWS RELATING TO WIRETAPPING AND ELECTRONIC SURVEILLANCE

The SPEAKER. Pursuant to the provisions of section 804(b), Public Law 90–351, as amended, the Chair appoints as members of the National Commission for the Review of Federal and State Laws Relating to Wiretapping and Electronic Surveillance the following Members on the part of the House: Messrs. KASTENMEIER, EDWARDS of California, RAILSBACK, and STEIGER of Arizona.